

DAILY REPORT

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CHEN MUHUA MEETS UNICEF EXECUTIVE DIRECTOR

OW221647 Beijing XINHUA in English 1618 GMT 22 Jun 81

[Text] Beijing, 22 Jun (XINHUA)--Vice-Premier Chen Muhua today met with James P. Grant, executive director of the United Nations children's fund, Mrs Grant and the UNICEF delegation he is leading.

The vice-premier told the guests that cooperation between China and UNICEF has been satisfactory. "The Chinese Government attaches great importance to children's education because it is aimed at bringing a bright future to humanity." He said China is willing to cooperate with other countries and international organizations in the education of children and tries to make such work successful.

Grant said that working for the children is important and of great significance. He praised China for its achievements in children's work, and said UNICEF hopes to maintain close relations with China.

After the meeting, an agreement on cooperation between UNICEF and the Chinese Government was signed by Grant and Cheng Fei, China's vice-minister of economic relations with foreign countries. The signing ceremony was followed by a banquet hosted by Vice-Premier Chen for the UNICEF delegation.

China established relations with UNICEF in 1979. The organization has provided China with aid of \$7 million for medical and cultural purposes.

XINHUA OFFICIAL ATTENDS IPDC COUNCIL MEETING

OW230906 Beijing XINHUA in English 0802 GMT 23 Jun 81

[Text] Paris, 22 Jun (XINHUA)--The Intergovernmental Council of the International Program for the Development of Communication, IPDC, adopted a resolution here today for UNESCO to provide financial support for a new world information order.

Speaking at the Intergovernmental Council's first session which began June 15 and concluded today, UNESCO Director General Amadou-Mahtar M'Bow said IPDC members stressed priority for strengthening the communication capacities of countries lacking them. "Modern communication capacities and facilities are very unevenly distributed both among nations and within nations," he said.

Representatives of the 35-nation IPDC Intergovernmental Council, which includes China, discussed the priorities and financial needs for the development of the media in developing countries during the session. Also during the session, Norway was elected as the chairman of the bureau of the council, and it was decided that the next IPDC session will be held in November in Mexico.

IPDC was established last year at UNESCO's 21st conference in Belgrade. It was formed to implement a new world information and communication order that will alter the uneven flow of information in the world.

Chen Ji, representative of China, director of the Foreign Affairs Department at XINHUA NEWS AGENCY and secretary of the All China Journalists Association, said at the session that the establishment of the IPDC is conducive to better relations between developed and developing countries. IPDC, he said, should be able to help the national economy, education, culture, science and technology in developing countries. It should also increase the self-sufficiency of developing countries in developing their communication media, technology, equipment and training.

GUANGMING RIBAO ON NEW VIOLENCE OF KU KLUX KLAN

HK081110 Beijing GUANGMING RIBAO in Chinese 27 May 81 p 3

[Article by Zi Ban [1131 5301]: "New Violence of the 'Invisible Empire'--The Ku Klux Klan in the United States Is on the Rampage Again"]

[Text] Over a recent period, a group of men and women in army uniform and armed with automatic weapons can be seen one weekend of each month in the mountain areas of Alabama in the southern United States undergoing guerrilla warfare training. They are reportedly preparing for a war which, as they have put it, is "to be launched within the United States to protect whites from blacks." Those who take part in the training are members of the "Invisible Empire of the Ku Klux Klan," which is a new product of the old racist organization the Ku Klux Klan, founded by the southern racists who were defeated in the Civil War 116 years ago.

Last autumn, some correspondents were allowed to visit one of the barracks of this "Invisible Empire," but were blindfolded before they were taken there. This barracks, located in southern Alabama, is not the only place in the United States where members of racist organizations undergo military training. A Michigan representative of the Democratic Party pointed out at a U.S. congressional hearing that such barracks can be found in at least five other states--California, Connecticut, Illinois, North Carolina and Texas.

This new activity of the Ku Klux Klan in the form of armed forces was organized by 38-year-old Bill Wilkinson, who had been a specialist in signals communications in the Marine Corps and is now one of the leaders of the southern Ku Klux Klan. He organized the "invisible empire" in 1975. When referring to this "invisible empire," a report of U.S. judicial departments says that it has 2,000 to 2,500 members and is the most warlike among the factions of the Ku Klux Klan. Wilkinson and his wife and two children are all members. He firmly believes that the racial war is "unavoidable," so the whites must get ready for war. He said, "We must defend ourselves by every possible means."

The Ku Klux Klan, which had disappeared from the scene for some time was again on the rampage in the mid-1970's. During this period, the activities of the Ku Klux Klan were no longer restricted to the southern states of the United States but were seen everywhere from south to north and from east to west, even in the army. In recent years, the henchmen of the Ku Klux Klan have brazenly held armed demonstrations in New Orleans, displayed the historical relics of the Ku Klux Klan at a public library in Winston-Salem, North Carolina, burned a cross in Alabama to show their strength to Negroes, brazenly threatened a Negro assembly by force in Georgia, attempted to kill a Negro in Detroit, Michigan, and even burned a cross at Harvard University. The savage act of the Ku Klux Klan on 3 November 1979, in which some henchmen of the Ku Klux Klan and the Nazi Party brazenly and in public view shot at paraders and marchers of the Communist Workers Party in Greensboro, North Carolina, shocked the whole country. Four people were killed and 10 were wounded.

Since the Ku Klux Klan's military training has been exposed, many people believe that it has something to do with the ever-increasing number of cases of violence and criminal offenses in recent years in the United States. For instance, this year, some Negro children have been killed one after another in Atlanta, Georgia. Up to now, 23 have been killed and 2 are missing but believed to have been killed, while the murderers are still at large. Quite a few observers hold that the increasing number of criminal offenses involving racial discrimination has certainly got some connection with the armed Ku Klux Klan. The 68 cases of violence and criminal offenses the U.S. judicial departments handled last year were all connected with the savage acts of the Ku Klux Klan, and were 150 percent more than the number of similar cases in 1979.

The resumption of Ku Klux Klan activities on a large scale has caused uneasiness among the broad masses in the United States. As a matter of fact, the creation of the Ku Klux Klan and its historical development have brought about a series of savage acts.

In 1866, after the Civil War, a society was formed by some retired southern soldiers in Pulaski, Tennessee and was named the "Ku Klux Klan." (Ku Klux was originally ku klos in Greek, meaning "round," and klan was a tribe in Scotland whose members held a burning cross when galloping and fighting across the vast plain.) Not long after that, the white racists in the southern states made use of this organization, and it became a terrorist organization whose activities were directed against Negroes. It then expanded its influence all over the southern states. The purpose of the Ku Klux Klan was to suppress the Negroes and deprive them of the political and economic rights they had gained after the Civil War. Since terrorism was expanding with each passing day, the U.S. Congress then passed an armed intervention law in 1871, stipulating that the president had the right to suppress the Ku Klux Klan if the latter was considered to be antigovernment. Thus, in 1877, the Ku Klux Klan was forced to disband, but its spirit has never died away.

The second resumption of activities on a large scale by the Ku Klux Klan began in 1915. At its height, the Ku Klux Klan had not only committed acts of violence against Negroes but also directed their spearhead against Catholics, Jews, immigrants and left-wingers. The terror spread all over the country until the 1920's when its influence became small again. At its height, the number of Ku Klux Klan members reached 5 million.

In 1954, under the pressure of the struggle for democratic rights for Negroes, the U.S. Supreme Court decided that the policy of segregation of blacks and whites was against the law and pointed out that measures should be taken immediately by the educational authorities to allow blacks and whites to study at the same schools. But this judgment was strongly opposed by racist extremists Ku Klux Klansmen, who had been silent for some time. A third resumption of activities on a large scale then started, which reached its height in 1965 when a Negro civil rights worker was openly shot by a Ku Klux Klansman on a highway in Alabama. The media strongly condemned this act and the U.S. Congress then reexamined Ku Klux Klan activities. Before this incident, the number of the Ku Klux Klansmen had reached 14,000. It was reduced at once to 4,500. After that, under the pressure of the media and the law, members of the Ku Klux Klan went into hiding again.

In the mid-1970's, for the fourth time, the Ku Klux Klan resumed large-scale activities and openly threatened to resort to violence. They accepted new members and scraped together bellicose young men for military and guerrilla war training so as to start war between the races.

Traditionally, the Ku Klux Klan follows the conventions of the south, because it originated in and is active mainly in the south. Though the activities of the Ku Klux Klan can also be seen in the north now, its influence is still less there than in the south. Armed Ku Klux Klansmen reportedly number 10,000 and sympathizers, 100,000. This is certainly less than the number in the prime of the Ku Klux Klan. During that time, the number of the sympathizers once reached 4 to 6 million. Moreover, in the 1920's, the Ku Klux Klan could make an ordinary man a senator or a government official easily, or suddenly bring about his downfall.

In addition to open and half-open violence, the Ku Klux Klan also takes an active part in public political activities. During the election last year, the argument "defending the whites" was heard. The public media in the United States believed that this argument had some influence in American society for a period of time, due to the economic recession of the United States and the continuous immigrations from Asia, Cuba and Haiti. There were at least three overt racists who joined the election campaign. Though none of them was elected, we can see from the votes they got that they had some sympathizers.

The Kl Klux Klan has some influence in the United States, especially in the south. This was clearly shown in last year's verdict on the 1979 case in which a member of the Communist Workers' Party in Greensboro, North Carolina was killed by Ku Klux Klansmen. The court, however, decided that the Ku Klux Klan and the Nazi murderers had fired in self-defense and set them free with a verdict of not guilty. Many Americans were dumbfounded by this judgement. What was more ridiculous was that not long before the verdict, one of the accused, brazenly wearing a red gown and the hood which is the symbol of the Ku Klux Klan, called a racists' rally at which he shouted: "What has happened in Greensboro means nothing at all in comparison with coming events."

However, the increasing violent threats of the Ku Klux Klan had aroused the resistance and struggle of the Negroes and other minority nationalities in the United States. Last year, the Negro organizations for democratic rights discussed the crimes of the Ku Klux Klan at Norfolk, Virginia and called on the Negroes to heighten their vigilance and organize to fight back. After the Greensboro incident, a meeting was held there by more than 300 representatives to discuss the rise of the Ku Klux Klan and the question of civil rights, at which a resolution was passed to form a national alliance against the Ku Klux Klan and the Nazis. At the same time, some other minority nationalities also took actions to defend themselves. It has been reported that the Jewish Defense League also actively and secretly trained the younger members in military self-defense. But since the problems of economic recession, inflation and unemployment are becoming more and more serious in the United States, racial discrimination and suppression will surely continue to exist, and the racist extremism will inevitably appear in various forms, which will deepen the crisis in U.S. society.

BRIEFS

NEW YORK CHINESE GARDEN--United Nations, 11 Jun (XINHUA)--A Chinese scholar's garden "Ming Xuan" is previewed today at the Metropolitan Museum of Art in New York. It will be open to the public beginning June 18. It is a reproduction of Ming Dynasty scholar's garden court originally in Suzhou, which is placed on the second floor of the museum's north wing. It is now named "Astor Court." A reception was held this evening for the completion of the garden--the first permanent cultural exchange between the People's Republic of China and the United States. The contract to build the garden was signed in December 1978. An exact fullscale prototype of the proposed garden would be built in Suzhou's East Park and remain there as a gift from the Metropolitan. The East Park garden court in China and its mirror image, the Astor Garden Court on the other side of the world, will be open to the public on the same day. [Beijing XINHUA in English 1208 GMT 12 Jun 81 OW]

SCIENTISTS' GLACIER STUDY--Urumqi, 7 Jun (XINHUA)--One Canadian and two U.S. scientists have arrived at an observation station in the western section of the Tianshan Mountains in the Xinjiang Uygur Autonomous Region to join their Chinese colleagues in investigating glaciers and snow cover, a spokesman for the Xinjiang Institute of Geography announced today. They are Dr Gordon J. Young, professor at the National Hydrology Research Institute, Ottawa, Canada, and Professors Jack D. Ives and Roger G. Barry of the University of Colorado at Boulder, Colorado, USA. The Chinese scientists are from the Xinjiang Institute of Geography and the Lanzhou Institute of Glaciers under the Chinese Academy of Sciences. Chinese Scientists have set up a number of stations on the higher peaks so that glaciers and snow cover can be systematically studied at all times of the year. According to the Xinjiang Institute of Geography, there are 6,896 modern glaciers covering an area of nearly 10,000 square kilometers of the Tianshan Mountains. Water reserves are estimated to be 360 billion cubic meters. These glaciers are known as "solid reservoirs." [Beijing XINHUA in English 0740 GMT 7 Jun 81 OW]

DPRK ENVOY DENOUNCES U.S. SUPPORT OF ROK

OW241552 Beijing XINHUA in English 1536 GMT 24 Jun 81

[Text] Beijing, 24 Jun (XINHUA)--Chon Myong-su, ambassador of the Democratic People's Republic of Korea to China, today condemned the United States "for supporting a puppet clique in South Korea with stepped-up military provocations and a scheme to create two Koreas."

He said an independent and peaceful reunification of Korea has become an "irresistible trend of the times."

The ambassador made the comments in a statement he gave at a press conference here this morning marking the "month for the anti-U.S. common struggle from June 25 to July 27."

Recalling the outbreak of the war of aggression launched by U.S. imperialism against Korea 31 years ago, Chon Myong-su said Korea is still split today and the danger of a new war is increasing.

He denounced the U.S. Government for supporting Chon Tu-hwan and his supporters in "intensifying clamor for war and strengthening war preparations in South Korea." He also condemned Chon Tu-hwan and his supporters for their scheme to rig up "two Koreas" and rejected their proposals for "mutual visits" and "UN admission."

Ambassador Chon Myong-su said, "The reunification of Korea must be realized by the Korean people themselves without any interference from outside forces."

He said the principles and policies advanced by President Kim Il-song for the reunification of Korea and his new program for establishing a Democratic Confederal Republic of Koryo are the "officially recognized programs for the reunification of Korea." They have won support from all Korean people and other peace-loving people of the world, he said.

Chon Myong-su said the Korean people will make further efforts to frustrate the "two-Koreas plot" with the unified strength of the whole nation and to achieve their historic mission of reunification.

JAPANESE DIET DELEGATION ARRIVES IN CHONGQING

OW241556 Beijing XINHUA in English 1541 GMT 24 Jun 81

[Text] Chongqing, 24 Jun (XINHUA)--The visiting delegation from Japan's House of Representatives, led by Speaker Hajime Fukuda, arrived in Chongqing from Chengdu by air this morning in the company of Xing Yimin, deputy secretary-general of the National People's Congress Standing Committee.

The Japanese guests were greeted at the airport by Ding Changhe, chairman of the Chongqing City People's Congress Standing Committee. They were guests of honor at a banquet hosted by the committee this evening.

Today, the guests visited the Beibei glassware factory and the Hongyan village revolutionary museum. The delegation will leave for Shanghai tomorrow.

SCIENCE, TECHNOLOGY MEETING HELD WITH JAPAN

OW241622 Beijing XINHUA in English 1528 GMT 24 Jun 81

[Text] Beijing, 24 Jun (XINHUA)--China and Japan explored ways of cooperation in the study of standardization in metrology, scientific and technical information, agricultural, railway and metallurgical techniques, public health and the use of animals for experiments.

This was disclosed in the minutes of the first meeting of the China-Japan Committee for Scientific and Technological Cooperation which ended here today.

The two sides agreed to continue discussions on definite measures of cooperation with consideration of the actual conditions in each country. The two-day meeting also reviewed exchanges during the past year and expressed satisfaction with the smooth development of Sino-Japanese cooperation in this area. The two sides also explained the scientific and technological policies of each country.

The committee, established under a scientific and technological cooperation agreement signed on May 28, 1980, meets in China and Japan alternately. Both sides agreed the accord had promoted cooperation and pledged to work for further growth.

BRIEFS

DPRK ARMY ORCHESTRA--The Korean People's Army orchestra arrived in Shanghai from Beijing on 4 June on a performance tour. Shanghai Vice Mayor Zhao Xingzhi, responsible persons of departments concerned and over 100 literature and art workers in Shanghai and PLA units welcomed the orchestra at the railway station. The orchestra, which consisted of more than 50 musicians, had staged 12 successful performances in Shenyang and Beijing before visiting Shanghai. [Shanghai City Service in Mandarin 2300 GMT 4 Jun 81 OW] The Korean People's Army orchestra gave a premiere in Shanghai on the evening of 5 June. Those who attended the concert included Hu Lijiao, chairman of the Standing Committee of the Shanghai Municipal People's Congress; Zhao Xingzhi, vice mayor of Shanghai; and Di Jingxiang, vice chairman of the municipal People's Congress Standing Committee. [Shanghai City Service in Mandarin 1130 GMT 5 Jun 81 OW]

DPRK DELEGATION IN ZHEJIANG--On 7 June Chen Zuolin, secretary of the Zhejiang Provincial CCP Committee, hosted a banquet in honor of the KWP activists delegation led by Kwon Sang-man, deputy department director of the KWP Central Committee. In his toast at the banquet, Kwon Sang-man praised Hangzhou as a beautiful and historic city and recalled the meeting in Hangzhou between the Korean people's great leader Kim Il-song and Comrades Mao Zedong and Zhou Enlai. (Yang Chuncheng), deputy bureau director of the International Liaison Department of the CCP Central Committee who accompanied the Korean delegation on its visit to Zhejiang, attended the banquet. The Korean comrades visited a scissors plant and toured the West Lake on 8 June. They will leave Hangzhou for Shanghai on 9 June. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 9 Jun 81 OW]

JAPANESE MUSICIANS DELEGATION--Beijing, 5 Jun (XINHUA)--Lu Ji, president of the Chinese Musicians Association, gave a reception this evening for a delegation of Japanese musicians in the Great Hall of the People. This is the third Japanese musicians delegation in China since 1975. Ikuma Dan, leader of the delegation, is a composer and permanent director of the Japan-China Cultural Exchange Association. His opera "Yuzuru (The Magic Crane)" has long been familiar to Chinese audiences. The delegation arrived this afternoon. During their stay, they will visit Beijing, Luoyang, Xian, Suzhou and Shanghai, where they will meet with their Chinese counterparts. Present at the reception were Chinese musicians, including Sun Shen, Li Huanzhi, Shi Lemeng and Wu Zuqiang. [Text] [Beijing XINHUA in English 1640 GMT 5 Jun 81 OW]

JAPANESE BIRD PROTECTION AGREEMENT--Tokyo, 8 Jun (XINHUA)--A ceremony for exchanging written notes on the implementation of a Sino-Japanese Government agreement on the protection of seasonal birds and their habitats was held today at the Japanese Foreign Ministry. Japanese Foreign Minister Sonoda and Chinese Ambassador Fu Hao signed the notes on behalf of their respective governments. The agreement was signed in Beijing on 3 March this year. [Beijing XINHUA Domestic Service in Chinese 1146 GMT 8 Jun 81 OW]

YUNNAN FIGHTERS REPULSE SRV ADVANCE 11 JUNE

OW251337 Beijing XINHUA Domestic Service in Chinese 1132 GMT 25 Jun 81

[Text] Kunming, 25 Jun (XINHUA)--Nine fighters of squad No 7 of No 3 company of a regiment under the Yunnan PLA border defense units have heroically repulsed 4 advances made by enemies 10 times their number and staunchly safeguarded the motherland's sacred Koulinshan Mountain.

At 0120 on 11 June, two Vietnamese companies, taking advantage of dense fog and under cover of heavy-calibre guns, launched a frenzied assault on our Koulinshan Mountain from eight directions along the mountain ridge. The No 30 highland guarded by squad No 7 was the main target of the enemy's offensive. After firing over 200 artillery shells on this position, which is only 50 square meters in area, a Vietnamese company launched a fierce attack on the highland. Calmly commanding the squad, leader Wei Lishi, having waited for the enemy to approach the position to as close as only 20 meters away, shouted: "Strike at them mercilessly!" All the machineguns, rifles and submachineguns opened up simulatenously, killing and wounding the enemy who fled in confusion.

The enemy organized a more violent attack. The squad's blindages and trenches were seriously damaged and Squad Leader Wei Lishi was injured four places on his arm, leg, waist and back and fighters Zhu Yunhua and He Rukong were also injured. Without the fortifications, the heroic fighters hid in an artillery tunnel and steadfastly safeguarded the position. Because his right arm was injured, Wei Lishi threw grenades with his left hand and killed four enemies. Fighter Li Minggang used a submachinegun to fiercely strafe at the advancing enemy and, after his gun barrel turned red, picked up another gun and continued firing, never allowing the enemy to make any advance.

In the fierce fighting, most of the squad's fighters were wounded. They encouraged one another to staunchly safeguard the position so long as someone was still alive, refusing to yield an inch of land.

The fighting continued for 6 hours. The invaders left 18 bodies behind in our forward position, failing to occupy the No 30 highland. Squad Leader Wei Lishi, Deputy Squad Leader Wei Guolu and fighter Li Minggang died heroically. The fighters of squad No 7 used their blood and lives to safeguard the motherland's dignity. The soldiers and civilians in the border area praise them as the "nine steel nails" and "nine warriors."

BELJING COMMENTATOR ON SRV REGIONAL TALKS PROPOSAL

OW241229 Beijing in Vietnamese to Vietnam 1130 GMT 23 Jun 81

[Station commentator (Li Guang) article: "Perfidious Design, Clumsy Trick"]

[Text] The fourth conference of the three Indochinese foreign ministers concluded recently in Phnom Penh. The conference, attended by representatives of the three countries, was, in fact, manipulated by the Vietnamese authorities. It issued a so-called joint communique, which was doubtlessly drafted by the Le Duan clique.

It was no accident that the Vietnamese authorities publicized the Phnom Penh conference communique prior to the convening of the ASEAN foreign ministers' Manila conference. It was a well-calculated step, aimed at opposing the Manila conference and the international conference on Kampuchea soon to be convened by the United Nations.

With that communique, the Vietnamese authorities schemed to get ASEAN to talk with the Heng Samrin administration and to legalize that administration, which Vietnam has contrived with bayonets and occupation of Kampuchea. To achieve that objective, the Vietnamese authorities have resorted to the shop worn allegation that troops are positioned in Kampuchea to cope with a threat from China, have expressed their refusal to attend the international conference on Kampuchea--but advanced the proposal that "if the United Nations stops recognizing Democratic Kampuchea, the three Indochinese countries will consider the possibility of convening an international conference on Kampuchea by the United Nations"--and have issued deceitful statements expressing their readiness to hold talks with ASEAN on regional problems on a bilateral or multilateral basis.

Sharp-witted people will quickly perceive the trick of the Vietnamese authorities, who have used all kinds of excuses to continue their occupation of Kampuchea. It is public knowledge that not one Chinese soldier is stationed in Kampuchea. The myth about China's threat is pure intention by the Vietnamese authorities to suit their scheme. In fact, the Vietnamese authorities, who have repeatedly talked about the China threat, have sent more than 200,000 aggressor troops to Kampuchea. Vietnamese tanks and artillery shells continue to massacre innocent Kampuchean people.

The acts of the Hanoi authorities, who rely on brute force, arrogant violation of international law and invasion and occupation of a sovereign state, are condemned by people worldwide. The 35th UN General Assembly issued a resolution demanding the withdrawal of Vietnamese troops from Kampuchea. The just-ended ASEAN foreign ministers conference pointed out that Vietnam's invasion of Kampuchea violates international law and the UN Charter principles. Even in Vietnam, more and more people are opposed to their country's invasion of Kampuchea. In an attempt to extricate themselves from an embarrassing predicament, the Vietnamese authorities have resorted to the trick of "thief crying 'stop thief!'", using the so-called "China threat" as an excuse for their troops to remain in Kampuchea and as a trick to divert the world public's attention and to counter the world people's strong demand that they withdraw their troops from Kampuchea. Their design is really perfidious; their trick is really odious. Facts prove that Hanoi's anti-China clamors have failed to deceive the world public and cover up the Vietnamese authorities' dirty nature as aggressors.

It is really strange that Vietnam demanded that the UN stop recognizing Democratic Kampuchea. The joint communique of the ASEAN foreign minister's Manila conference stress: The reason for the support of Democratic Kampuchea's UN representation is based on the basic principle of opposing foreign intervention. Any change to that UN representation means condoning Vietnam's invasion and occupation of Kampuchea. Romulo, chairman of the ASEAN Standing Committee, also pointed out: Maintaining or not maintaining "Democratic Kampuchea's legal UN seat means to respect or not to respect the sacred principles of the UN Charter. We are defending the irreconcilable principles.

Of course, forcing the UN to stop recognizing Democratic Kampuchea is not Vietnam's ultimate objective. Its real objective is to force the UN to accept Vietnam's occupation of Kampuchea as a fait accompli and, at the same time, to gain a UN seat for the puppet Heng Samrin administration. At the UN General Assembly last year, Vietnam advanced such a proposal, but failed in its scheme because of a protest by the majority of the UN member countries. The Vietnamese authorities now want to resort to their old trick.

At the ASEAN foreign minister's Manila conference, the participants pointed out: The so-called election held in Kampuchea from March through May was a desperate move aimed at legalizing the Vietnam-contrived Heng Samrin administration. That deceitful election did not reflect the true aspirations and freedom of the Kampuchean people because it was held in the shadow of a 200,000-strong Vietnamese occupation force. The ASEAN foreign ministers reaffirmed: As long as Vietnam positions its troops in Kampuchea, the Kampuchean people still fail to achieve their national interests, fail to have a government of their own choosing, fail to freely elect their leaders.

They stressed: Any administration contrived by occupation troops, no matter what legal appearance it may assume, cannot be legally recognized under the principles of the UN Charter. ASEAN's correct stand has been resolutely supported by many countries. Therefore, the Vietnamese authorities' attempt to gain a UN seat for the Heng Samrin administration is just a futile effort.

What about the so-called regional talks peddled by the Vietnamese authorities? They are only a variation of the offer to hold a regional conference already rejected by ASEAN. Thai Foreign Minister Sitthi Sawetsila correctly commented: There is nothing new in that proposal. Vietnam's attitude has not changed. If Vietnam really has the good will to resolve the problem, why did it refuse to attend, along with us, the international conference on Kampuchea? Singapore Foreign Minister Dhanabalan also said: I do not see the objective of that meeting or hopes or achieving success. The communique of the ASEAN foreign ministers' Manila conference also stressed: The Kampuchean conflict is the root cause of the threat to Southeast Asia's peace and stability. Because that conflict concerns not only the countries in the region but also outside forces, it has an international character. Therefore, the regional conference proposed by Indochina will not provide an appropriate forum for conducting interesting discussions that may lead to a lasting solution.

The Vietnamese authorities want to turn the so-called regional talks on a bilateral or multilateral basis into a trap to oppose the international conference on Kampuchea, to drive a wedge between the ASEAN countries, and to legalize the Heng Samrin administration and Vietnam's occupation of Kampuchea. They have resorted to all kinds of cunning tricks. However, ASEAN, far from being deceived has fully exposed them. Of course, the Vietnamese authorities will not resign themselves to their setbacks and will resort to new tricks. However, the just cause is supported by many people, whereas the unjust cause has few supporters. That is an immutable truth. We can predict that no matter what scheme or trick the Vietnamese authorities resort to, they will be unable to avoid the ignominious setbacks that any aggressor has faced in the course of history.

VICE PREMIER HUANG HUA DEPARTS FOR SOUTH ASIA

OW250714 Beijing XINHUA in English 0708 GMT 25 Jun 81

[Text] Beijing, 25 Jun (XINHUA)--Chinese Vice-Premier and Foreign Minister Huang Hua, his wife He Liliang and their party left here by air this morning for official visits to India, Sri Lanka and the Maldives.

In an interview before departure with correspondent of PRESS TRUST OF INDIA Sunil C. Roy, Huang Hua said that there has been satisfactory development in Sino-Indian relations in recent years and he is happy over it. He noted that there have been contacts between leaders of the two countries during these years, showing the sincere desire harboured by the two countries to further develop their bilateral relations. There have been frequent exchanges between people of different walks of life, and trade has expanded between the two countries, he added. "It can be said," the Chinese foreign minister pointed out, "there has been a breakthrough in the previous situation in which China and India were once cut off from each other. And we have embarked on a road of development in our relations both in depth and width. And my current visit represents a continuation of this process."

Huang Hua said he was looking forward to exchanging views with Indian Foreign Minister P.V. Narasimha Rao on the present international situation, particularly regional issues of mutual concern and explore further development of bilateral relations. He stressed that since both China and India have the sincere desire and are making joint efforts, the prospects for developing their relations are good.

Huang Hua was seen off at the airport by Vice-Premier Chen Muhua. Also present were diplomatic envoys of India and Sri Lanka in Beijing.

Stopover in Hong Kong

BK250627 Hong Kong AFP in English 0519 GMT 25 Jun 81

[Excerpt] Hong Kong, 25 Jun (AFP)--Chinese Foreign Minister Huang Hua arrived from Beijing by air today en route to India as the first step by China to further improve the Sino-Indian relationship since the border war between the two countries in 1962. On his short stopover, Mr Huang was greeted by Hong Kong Government's acting political adviser Mr Iain Orr and leading officials of XINHUA NEWS AGENCY before flying on to New Delhi.

Indian Press on Visit

OW250823 Beijing XINHUA in English 0818 GMT 25 Jun 81

[Text] New Delhi, 25 Jun (XINHUA)--India is looking forward to the visit of Chinese Vice Premier and Foreign Minister Huang Hua who arrives here tomorrow.

The NATIONAL HERALD reported today that "The entire gamut of Sino-Indian relations, including the border questions and the critical international situation, will figure in the three rounds of talks Chinese Foreign Minister Huang Hua will have with external affairs minister P.V. Narasimha Rao."

Huang Hua also will call on India's president and prime minister during his visit.

The HERALD said "the five-day visit of Mr Huang Hua is considered here as an important watershed in the process of building an atmosphere which would be helpful in normalizing bilateral ties." Although the newspaper noted "a chain of contacts in diverse fields between India and China has been growing on a gradual basis, expectation of any dramatic outcome of the visit would be unrealistic."

The INDIAN EXPRESS reported today that "It is after 21 years--after Mr Zhou Enlai's visit in 1960--that a senior Chinese minister is coming to India. And it appears that both governments do not want to lose the opportunity to discuss how best to improve their relations."

India's cabinet committee on political affairs met Wednesday and is believed to have discussed the stand India is to take at the Sino-Indian talks, according to the EXPRESS.

PAKISTAN PRESIDENT'S REMARKS ON PRC TIES REPORTED

OW250751 Beijing XINHUA in English 0734 GMT 25 Jun 81

[Text] Islamabad, 24 Jun (XINHUA)--Pakistan was keen to have friendship and cooperation with all countries, particularly neighbours, so that it could utilise its resources for the betterment of its people, said President Mohammad Ziaul Haq in his address to the nation this evening. The president said, Pakistan wanted peace in the world in general and in its region in particular.

Speaking on the Chinese premier's recent visit to Pakistan, he said it was the most significant event at the time. Recalling the late Chinese Prime Minister Zhou Enlai's visit to Pakistan in 1965 which he described as a milestone in the history of bilateral relations, he said that sixteen years later in the prevalent situation, Premier Zhao Ziyang's visit was very important for regional peace besides bilateral relations. Friendship with this great neighbouring state was the cornerstone of Pakistan's foreign policy, he said, adding that China was a tested and trusted friend.

He said Prime Minister Zhao Ziyang had categorically declared at the end of his visit that in case of foreign aggression, China would give full support and help to Pakistan. "We are grateful to the People's Republic of China for the renewal of this determination," he added.

President Zia said "In our view, the era of ups and downs in bilateral relations between India and Pakistan had ended. It was our earnest endeavour that the present generation may witness the end of rivalry and tension in the sub-continent and begin an era in which the two countries may divert their energies for constructive purposes."

Referring to the Afghan issue, he said the brave and unarmed Afghan people who were being subjected to oppression continued to resist the foreign troops. Pakistan, he said, was seeking a political solution of this political problem on the basis of the withdrawal of foreign troops, restoration of the Islamic and non-aligned status of Afghanistan, an honourable return of the refugees to their homes and the right of the Afghan people to have a government of their liking.

Referring to the programme concerning U.S. economic aid and defence purchases, the president said he wanted to make clear that Pakistan did not accept any "alternative responsibilities." "neither have we joined any defence pact or any international agreement for regional security and nor are we giving military bases to any foreign power." He assured the nation that by accepting this programme, Pakistan's non-aligned status would not suffer in any way. "We would continue to follow the principles of the Non-Aligned Movement and the Islamic Conference organisation."

President Zia said Pakistan desired to have cordial relations with the Soviet Union and was grateful for the Soviet assistance in development projects. He said Pakistan was ready to improve its relations with the Soviet Union in political, economic and technical fields.

SINO-PAKISTANI TRADE AGREEMENT SIGNED IN ISLAMABAD

OW241846 Beijing XINHUA in English 1832 GMT 24 Jun 81

[Text] Islamabad, 24 Jun (XINHUA)--A China-Pakistan trade protocol was signed here today. Wang Runsheng, Chinese vice-minister for foreign trade, and Izharul Haq, Pakistan federal commerce secretary, signed the protocol for their respective governments.

Under the new protocol, China will export to Pakistan steel items including billets, pig iron and tools while Pakistan will export to China cotton yarn, textile goods and leather manufactures.

Pakistan Federal Finance Minister Ghulam Ishaq Khan met the visiting Chinese vice-minister here yesterday. The two sides expressed satisfaction over the pace of implementing the last commodity exchange agreement. Chinese ambassador to Pakistan Xu Yixin was present on both occasions.

PAKISTAN PUBLISHES BOOK ON RELATIONS WITH CHINA

OW190220 Beijing XINHUA in English 0206 GMT 19 Jun 81

[Text] Peshawar, 18 Jun (XINHUA)--A book praising China-Pakistan friendship was launched at a ceremony here today. Written by Sharif Farooq, who visited China last year, the 150-page book "Towards the Land of a Friend," with its many photographs, covers various aspects of Pakistan-China relations, achievements of the Chinese people and the role of China in international affairs.

Speaking at the ceremony, Pakistan Federal Minister of Sports, Tourism and Culture Niaz Mohammad Arbab described the friendship between the two countries as "everlasting" and hoped that it would continue to be consolidated with the passage of time.

Cultural counsellor of the Chinese Embassy in Pakistan Ji Zhaopu attended the ceremony. He congratulated the author on his success and said the efforts and contributions of Pakistan journalists have helped the Pakistan people understand China, her people and achievements.

USSR TROOP INCREASE ON AFGHAN-IRANIAN BORDER NOTED

OW241848 Beijing XINHUA in English 1838 GMT 24 Jun 81

[Text] Islamabad, 24 Jun (XINHUA)--In the wake of the internal conflict in Iran, the Soviet Union has started fortifying its positions along the Soviet and Afghan borders with Iran, AGENCY AFGHAN PRESS reliably learnt today.

The superpower has increased the strength of its forces in the Afghan provinces bordering with Iran. It has also deployed four army divisions along its southern borders with Iran. The fresh consignment of two army divisions has been sent to Herat and Farah Provinces bordering with Iran.

Another report says that the strength at the new army airport Dasht-e-Atishan, 40 km to the east of the Iranian border in Herat Province, has been increased and another two army divisions have been sent to the place which is virtually operation headquarters in the area.

According to the sources, the Soviet survey teams are engaged in demarcation of new frontiers of the Soviet Union with Afghanistan. The demarcation is indeed meant to evolve a further strategy to expand the influences of the Soviet Union across the Afghan borders. The further point which is being considered by the Soviet planners is that the Soviet borders should be extended and the maximum Iranian border should come on the frontline with the Soviet Union.

AFP: OFFICIALS SILENT ON OPENING OF CCPCC PLENUM

OW241308 Hong Kong AFP in English 1208 GMT 24 Jun 81

[Excerpts] Beijing, 24 Jun (AFP)--Chinese officials today kept mum on discussions being held by the Chinese leadership in Beijing where a plenary session of the Communist Party Central Committee is soon to lead to the removal of Chairman Hua Guofeng.

Faced with a barrage of questions from newsmen, minister in charge of the Commission for Cultural Relations With Foreign Countries Huang Zhen invariably replied: "We don't know." Yet Mr Huang, who was attending a reception at the Spanish Embassy, is a member of the Central Committee and vice-chairman of its propaganda section.

This morning, an AGENCE FRANCE-PRESSE correspondent spotted scores of "Hongqi" (Red Flag) limousines and other official cars parked inside the Zhongnanhai complex, seat of the state's central organs in central Beijing, an indication that an important meeting was most probably in progress.

Spokesman: Hua Still CCP Chairman

OW250853 Paris AFP in English 0840 GMT 25 Jun 81

[Excerpt] Beijing, 25 Jun (AFP)--Hua Guofeng was today still chairman of the Chinese Communist Party, an official spokesman said here. In recent days Beijing-based foreign correspondents reported that Mr Hua had already resigned at the beginning of preparatory meetings for the long-awaited plenary session of the party Central Committee. But asked if Mr Hua was still the party chairman, the spokesman said: "Yes, of course." He however refused to give details of the on-going discussions being held by the Chinese leadership.

The plenum is expected to end with the removal of Hua Guofeng, who succeeded Mao Zedong when the latter died in 1976 and who is to be replaced by party General Secretary Hu Yaobang, a close ally of China's paramount leader Deng Xiaoping.

GUANGZHOU REMOVES ARCHBISHOP APPOINTED BY POPE

OW241534 Beijing XINHUA in English 1516 GMT 24 Jun 81

[Text] Guangzhou, 24 Jun (XINHUA)--The Guangzhou Patriotic Catholic Association and Guangzhou Diocese decided at a joint meeting June 22 to remove Deng Yiming as bishop of Guangzhou Diocese and vice-chairman of the association. Deng Yiming, who was jailed in the 1950s for opposing the Chinese catholics' anti-imperialist and patriotic movement, was released in June last year for having shown repentance, the association said. The clergy and congregation in Guangzhou then restored him to his former post as bishop October 8, 1980 and later elected him vice-chairman of the city's Catholic Association.

During his stay in Hong Kong where he claimed to be receiving medical treatment and visiting his relatives earlier this year, Deng Yiming went to Rome to receive Pope John Paul's appointment as the so-called archbishop of Guangdong. His action violated the principle of independence of the Chinese Catholic Church and endangered the dignity of the Chinese clergy and Chinese people, the association said.

Among the 70 attending the meeting were members of the city's Catholic Association, clergy of Guangzhou Diocese and representatives of the congregation. The meeting was presided over by Chen Zhixiong, chairman of the city's Catholic Association.

Ye Yinyun, vice-chairman of the Guangdong Provincial Patriotic Catholic Association and bishop of Huiyang Diocese, said at the meeting that he supported the decision.

WAN LI, OTHERS ATTEND, ADDRESS MEETINGS IN BEIJINGFarm, Sideline Production Forum

OW242133 Beijing XINHUA Domestic Service in Chinese 1502 GMT 24 Jun 81

[Excerpts] Beijing, 24 Jun (XINHUA)---All industrial and mining enterprises should continue to persist and improve their efforts in promoting agricultural and sideline production if they have the conditions available to do so. This was the call made at the national forum on farm and sideline production work by industrial and mining enterprises.

It was decided at this meeting that all existing farm and sideline production bases of industrial and mining enterprises will be consolidated. Those which are equipped to operate effectively should further improve their operations. Individual production bases that would have difficulty in continuing their operations because their conditions are so inferior and their economic results are poor, may stop operation. But serious efforts must be made to ensure settlement of all problems arising from the closing of such bases. All industrial and mining enterprises' farm and sideline production bases must put into effect as soon as possible the production responsibility system of independent accounting, responsibility for their own profits or losses and payment calculation on the basis of output in order to do away with the past practice of "eating from the same pot." The principle of adapting to local conditions should be followed in production.

The forum was jointly sponsored by the State Economic Commission, the State General Administration of Labor and the All-China Federation of Trade Unions. Wan Li, Ni Zhifu, Yuan Baohua, Kang Yonghe and Lin Hujia made speeches at the meeting.

Production Safety Meeting

OW250204 Beijing XINHUA Domestic Service in Chinese 1508 GMT 24 Jun 81

[Excerpts] Beijing, 24 Jun (XINHUA)---A national conference on safety in production today commended 80 advanced units and 20 advanced individuals under the industry, communications and capital construction departments for ensuring safety in production or undertaking production in a civilized way.

Since the 3d Plenary Session of the 11th CCP Central Committee, industry, communications and capital construction departments in various localities have eliminated "leftist" ideas and implemented the safety first policy, thus making tremendous achievements. Order in enterprises' production has gradually improved, and accidents resulting in casualties have decreased year after year. Many advanced units and individuals have come to the fore in various localities in ensuring safety in production or undertaking production in a civilized way.

Those individuals commended were workers, engineers, technicians and leading cadres. Firmly establishing the concept of safety first, they have made important contributions to safety in production.

The national conference on safety in production was jointly sponsored by the State Labor Bureau, the State Economic Commission and the All-China Federation of Trade Unions. The conference called on all production enterprises in the country to unswervingly implement the safety first policy, to eliminate any slackness, to surmount difficulties and to strive to reduce casualty-causing accidents by 15 percent in 1981 as compared with last year. In addition, they should take effective measures to bring occupational diseases under control.

Wan Li, Ni Zhifu and Kang Yonghe addressed the conference.

PLA GENERAL STAFF HOLDS PHILOSOPHY CLASS

HK240242 Beijing RENMIN RIBAO in Chinese 19 Jun 81 p 5

[News report: "PLA General Staff Headquarters Holds First Philosophy Book-Reading Class, Correctly Sums Up Experiences and Lessons Since Founding of the State"]

[Text] The PLA General Staff Headquarters recently held its first philosophy book-reading class. By studying Marxist philosophy, many of the participants further established the viewpoint of dialectical and historical materialism, eliminated one-sidedness and absolutism in their thinking, correctly summed up the experiences and lessons of the 32 years since the founding of the state, more spontaneously implemented the line, principles and policies of the third plenary session and upheld the four basic principles.

Beginning on 21 April, the General Staff Headquarters held a philosophy book-reading class attended by leading cadres at and above division-level as well as by theory and propaganda cadres in order to implement the instructions of a leading central comrade on studying Marxist philosophy. Taking as its lead the "Dialectical Materialism and Historical Materialism" edited by Comrade Ai Siqi, the class seriously studied the philosophical doctrine of Marx, Engels, Lenin and Stalin and Comrade Mao Zedong's "On Contradictions" and "On Practice" and other philosophical works. Through their studies, the participating comrades deepened their understanding of the basic principles of Marxist philosophy. In connection with summing up the historical experiences since the founding of the state, they cleared away the influence of "leftist" guiding ideology and the interference caused by certain rightist thinking, and further rectified their ideological line.

During their studies, the participants pointed out, material dialectics and metaphysics are two methodologies with diametrically-opposed world outlooks. Metaphysics looks at the world from an isolated, static and one-sided point of view, while material dialectics looks at it from an integrated, developed and all-round point of view. The characteristics of one-sidedness and absolutism consist of inflating one aspect of a contradiction, negating the other aspect and holding that things are either absolutely good or absolutely bad. At present certain comrades make either absolute affirmations or negations of things and are unable to uphold in a truth-seeking way the doctrine that everything has two aspects. Looking at party work since the founding of the state, they always only see the problematical aspect and neglect the achievements which form the main current. This does not conform to the principles of Marxist philosophy. Analyzing the achievements and problems since the founding of the state, the participants held that we have scored very great achievements under party leadership in the past 32 years: We have established and consolidated the regime of the people's democratic dictatorship led by the working class and based on the worker-peasant alliance; we have successfully carried out the socialist transformation of the ownership of the means of production and established the socialist system; we have carried out planned economic construction and laid the material foundation for accomplishing socialist modernization; we have smashed the armed aggression of imperialism and hegemonism and defended the sacred territory of the motherland; we have developed friendly relations with people of various countries and enhanced China's international status. Of course we have also made many mistakes. In particular, the "Great Cultural Revolution," which was a grave error, was used by the Lin Biao and "gang of four" counterrevolutionary cliques and brought tremendous calamity on the party and state. We cannot correctly sum up experiences and lessons if we only stress the achievements and cover up the shortcomings and errors. On the other hand, we will lose confidence in continuing our advance if we only look at the shortcomings and errors and are unable to see the achievements.

Discussing the question of the relationship between the leader and the masses, the participants further understood that the masses are the creators of history and that all outstanding leaders in history are produced by meeting the objective needs of historical development.

They are the products of certain historical conditions; they are men, not gods; and they are inevitably subject to historical limitation. We must both fully affirm the historical merits of the revolutionary leaders and also see their shortcomings and errors; we must preserve the prestige of the leaders without going in for book worship; we must sum up the experiences and lessons of history and avoid being overcritical through getting away from certain historical conditions; and we must draw clear distinctions between loving the revolutionary leader and pursuing personality cult. The comrades said, Comrade Mao Zedong is the great leader of our party and the people of all nationalities of our country; his achievements are primary and his mistakes secondary. We have profoundly felt from our own experience that there could be no socialist new China had not Comrade Mao Zedong and the Central Committee he headed guided our party and army along the correct orientation and saved the Chinese revolution from crisis on many occasions. Mao Zedong Thought is the precious treasure of the people of the whole country and is the party's openly-acknowledged guiding ideology. It is running counter to the principles of Marxist philosophy to deify the leader, to indulge in book worship of Mao Zedong Thought and to hold that everything Comrade Mao Zedong said has to be mechanically followed, or else to negate his historical position in history and the historical value of Mao Zedong Thought on account of the mistakes he made in his later years. We must take a scientific approach to Chairman Mao and Mao Zedong Thought, and persistently take Marxism-Leninism-Mao Zedong Thought as our guiding ideology and guide for action.

During their study and discussion, the comrades said that the reason why the line, principles and policies laid down since the third plenary session are correct is that they are founded on the basic principles of Marxist philosophy, have analyzed China's national condition, and have absorbed the experiences and lessons of history. Certain comrades did not understand certain issues very well for a time, because they were haunted by metaphysics and one-sidedness and failed to comprehend the complexity of the contradictions and the tortuous nature of the development of things. In the period of the new historic turning point, it is only by seriously studying and mastering the basic principles of Marxist philosophy that we can correctly comprehend and implement the line, principles and policies laid down since the third plenary session, correctly sum up the experiences and lessons of history, spontaneously uphold the four basic principles, and keep up with the pace of the era.

HONGQI DISCUSSES MAO'S POSITION, ROLE IN REVOLUTION

HK240938 Beijing HONGQI in Chinese No 11, 1 Jun 81 pp 11-18

[Article by Guan Jian [4619 0256]: "Comrade Mao Zedong's Position and Role in the History of the Chinese Revolution"—capitalized passages published in boldface]

[Text] Comrade Mao Zedong was one of the founders of the Chinese Communist Party. After the founding of the Chinese Communist Party, he was for most of the time the principal leader of our party and the great leader of our party and the people of various nationalities in China. Comrade Mao Zedong's lifetime of revolutionary activities were closely connected with the cause of emancipating the Chinese people. The great victories and achievements we won in the new democratic revolution, socialist revolution and socialist construction are inseparable from his correct guiding ideology. At the same time, the setbacks and mistakes we experienced in socialist practice are also related to certain mistakes made by Comrade Mao Zedong in his guiding ideology. Therefore, whether or not we can accurately appraise the merits and faults of Comrade Mao Zedong has a bearing on how to correctly recognize the great achievements of the party leader who led the people in waging struggle and how to correctly sum up and draw on historical experiences and lessons. Thus, it is a matter of interest to the whole party and the people throughout the country.

Our party has used dialectical materialism in studying problems, and its appraisal of historical personalities and events is objective, fair and realistic. Since the 3d Plenary Session of the 11th CCP Central Committee, the appraisal of Comrade Mao Zedong made by the party has been realistic. Just as Comrade Deng Xiaoping repeatedly pointed out: The appraisal of Chairman Mao must be very objective. Chairman Mao's merits are primary and his mistakes secondary. This estimate conforms with reality and we definitely must neither doubt nor negate this. Without Chairman Mao, the Chinese people would at the very least have had to grope in the dark for a much longer time. This is the basic appraisal of our party regarding the merits and faults of Comrade Mao Zedong. If we were to hold that because Comrade Mao Zedong did make mistakes we must negate his outstanding contributions to the cause of the revolution and his important position and great role in the history of the Chinese revolution, we would no doubt be making a mistake.

Lenin said: "Historical services are not judged by the contributions historical personalities did not make in respect of modern requirements, but by the new contributions they did make as compared with their predecessors." ("Collected Works of Lenin," vol 2, p 150) Facts are definitely like that. Since the birth of the communist movement, Marx, Engels and Lenin all in their own historical periods supplied more new concepts and theories which withstood the tests of practice for mankind, and the proletariat in particular, than their predecessors. Comrade Mao Zedong integrated the concrete practice of the Chinese revolution with the universal truth of Marxism-Leninism to provide our party and people with new things which Marx, Engels and Lenin did not supply. This is our most valuable historical legacy. In view of his contributions to revolutionary theories and revolutionary cause, no individual leader in our party can surpass him. Comrade Mao Zedong fully deserves the title of a great Marxist and a great proletarian revolutionary and strategist. This is a historical fact nobody can obliterate. The outstanding contributions made by Comrade Mao Zedong to the cause of the Chinese revolution definitely cannot be comprehensively discussed in one or two articles. Here, we are only telling how Comrade Mao Zedong formulated the correct line and policies for our party, how he led the Chinese people through difficulties when the Chinese revolution was at turning points and critical moments and how he insisted on educating all party members and cadres in Marxism and Leninism to explain his important position and great role in the history of the Chinese revolution and the great services he performed for the cause of the Chinese revolution.

PROCEEDING FROM ACTUAL CONDITIONS IN CHINA, HE SCIENTIFICALLY ANALYZED THE CLASS RELATIONS AND FORMULATED THE CORRECT LINE AND POLICIES FOR THE NEW DEMOCRATIC REVOLUTION AND THE SOCIALIST REVOLUTION

Our party has led hundreds of millions of people in a country of 9.6 million square kilometers, fulfilled the task of the new democratic revolution and founded the People's Republic of China. After the founding of the People's Republic, it has also successfully carried out socialist revolution and socialist construction (with the exception of Taiwan province). This has been a great earth-shaking historical event of profound significance.

The new democratic revolution of our country had occurred and developed in a semi-colonial and semifeudal society. In this society, the various intricate and complex social contradictions and class relations were constantly changing and splits were also regularly occurring in revolutionary and counterrevolutionary camps. Under such conditions, it was extremely important to clarify who to make revolution against, who would lead the revolution and who we must unite with to make revolution. Today, it is of course very easy for us to answer this question. However, for quite some time after the founding of the party, there were still many people in the party unable to give a correct systematic answer.

Comrade Mao Zedong did not rely on reciting Marxist phrases by rote or indiscriminately copying foreign experiences to solve the problems of the Chinese revolution, but carried out a penetrating and scientific analysis of the economic and political conditions of various classes in Chinese society based on Marxist basic principles to arrive at a correct conclusion. Such works as "Analysis of Classes in Chinese Society," "The Chinese Revolution and the Chinese Communist Party" and "On New Democracy" in the "Selected Works of Mao Zedong" were representative of the scientific analysis he made of the various classes in Chinese society. In these works, Comrade Mao Zedong developed the guidelines of the resolutions of the second, fourth and sixth party congresses and comprehensively and systematically solved such problems as the targets, motive forces and leadership of the revolution. Based on this kind of scientific analysis, Comrade Mao Zedong not only formulated the general line of "revolution of the masses led by the proletariat against imperialism, feudalism and bureaucratic capitalism" of the new democratic revolution, but in each different historical period following the development and changes in the situation of the class struggle he also proposed the specific line and policies and defined the strategy and policy decisions of the revolutionary struggle for our party.

In these works, Comrade Mao Zedong strongly stressed the importance of proletarian leadership. According to him, proletarian leadership meant that the proletariat must be the "commander" of the democratic revolution. There was a fierce debate over this in our party. Right capitulationist Chen Duxiu held that the bourgeois democratic revolution should be led by the bourgeoisie and the proletariat could only help the bourgeoisie and carry the chair for the bourgeoisie. Only after helping the bourgeoisie make a success of the revolution could the proletariat make its own revolution. Comrade Mao Zedong firmly opposed this view. He clearly pointed out: Because of its selfishness and lack of political and economic independence, the bourgeoisie can no longer be the leader of the democratic revolution. Moreover, "in addition to the basic qualities it shares with the proletariat everywhere," "the Chinese proletariat has many outstanding qualities." ("Selected Works of Mao Zedong" vol 2, p 607) Therefore, only the proletariat could lead the Chinese revolution to victory. Peng Shuzhi who stood by Chen Duxiu instead maintained that leadership would "naturally" fall to the proletariat and there was no need to struggle for it. Comrade Mao Zedong disagreed. He held that leadership must be seized by force, and unless force was used, leadership would not naturally fall to the proletariat. Historical experience has borne out the correctness of Comrade Mao Zedong's thesis. When leadership was in the hands of the proletariat, the revolution would go backward and end in defeat. According to Comrade Mao Zedong, the central issue and basic hallmark of achieving proletarian leadership were the question of leading the peasants. Because in China, peasants accounted for the overwhelming majority of the population and they had suffered deeply from the oppression and exploitation of imperialism, feudalism and bureaucratic capitalism. Such people as Chen Duxiu and Wang Ming despised the peasants and had no faith in them. In the light of their mistake, Comrade Mao Zedong repeatedly pointed out: The peasantry is the firmest and most reliable ally of the proletariat. Only by forming a strong worker-peasant alliance can we unite with all revolutionary forces. The people's revolutionary war carried out for more than 20 years in China was in a certain sense also a peasant war. We may also put it this way. The final victory won by the new democratic revolution was mainly due to the energetic support and active participation of the peasants in the tens of millions.

In his analysis of the various classes in Chinese society, Comrade Mao Zedong's analysis of the bourgeoisie was the most remarkable. He smashed the "formulistic" framework and applied a method that was different from that used by Marx and Engels during their time to analyze the British, French and German bourgeoisie and from that used by Lenin to analyze the Russian bourgeoisie, one based entirely on actual conditions in China. He held that as China was a semicolonial and semifeudal society, the bourgeoisie had divided into the national bourgeoisie and the big bourgeoisie.

Having suffered imperialist and feudal oppression, the national bourgeoisie had a need to oppose imperialism and feudalism and could become a kind of revolutionary force. Therefore, the proletariat should form a united front with them. At the same time, he also held that the national bourgeoisie had countless ties with imperialism and feudalism and had a proneness to waver in the revolution; therefore, in the process of uniting with them we should also carry out a necessary struggle against them. This explained that the national bourgeoisie had a dual character and it was necessary to carry out a revolutionary dual policy of uniting with and also struggling against them. However, Chen Duxiu maintained that the bourgeoisie was the main force of the Chinese democratic revolution and we should only discuss uniting with them and not struggling against them. Comrade Li Lisan, who had been guilty of leftist mistakes, held that "the bourgeoisie has already become a part of the counterrevolutionary alliance," and his advocacy at that time was "to overthrow bourgeois domination." Wang Wing however negated in toto the existence of a middle camp and a third force. He exaggerated the meaning of the struggle against the bourgeoisie and talked only of struggle but not of alliance. Comrade Mao Zedong had criticized this kind of left closed doorism as the tactics of "a person who has no mass support" and as "driving the fish into deep water and the sparrows into the thickets." This kind of policy actually drove "countless" people over to the enemy's side and completely isolated the proletariat and poor peasants. Like mistakes of the right, mistakes of the left also caused great harm to the revolutionary cause.

Comrade Mao Zedong also made a very profound analysis of the big landlords and big bourgeoisie. The big landlords and big bourgeoisie were the targets of the democratic revolution and we were trying to overthrow their reactionary rule during the democratic revolution. However, was the ruling class camp monolithic? Was there no contradiction among them? Left adventurists basically would neither admit to contradictions in the ruling class nor acknowledge that the revolutionary party should adopt the tactics of taking advantage of such contradictions. In contrast, Comrade Mao Zedong held that because China had suffered from the aggression and domination of many capitalist countries and because contradictions large and small existed in various groups and factions of the big landlords and big bourgeoisie supported by imperialists, they had different attitudes toward the revolution at different periods. Therefore, there should be a distinction between principal and nonprincipal enemies at a given period. Following the development and changes in class contradictions and national contradictions, certain groups and factions among them would also change accordingly. Yesterday's enemies could become today's friends, and friends of today could become tomorrow's enemies. Therefore, within a given period and under given conditions, we should take advantage of the contradictions among them to form a temporary alliance with some of them and concentrate our forces against the principal enemy. However, during this temporary alliance, we must not forget their reactionary character. We must carry out a resolute tit for tat struggle against their counterrevolutionary activities of guarding against, restricting and opposing communism. For the sake of not breaking up the temporary alliance, this kind of struggle must adopt a reasonable, advantageous and moderate policy. In summing up the experiences of the revolutionary struggle, Comrade Mao Zedong also advanced the correct tactical thinking of "take advantage of contradictions, win over the majority and oppose the minority and destroy them one by one." During the years of the revolutionary war and particularly during the period of the war of resistance against Japan, such comrades as Zhou Enlai and Dong Biwu used this tactical thinking of Comrade Mao Zedong to wage a successful struggle against the big landlords and big bourgeoisie represented by the Chiang Kai-shek clique.

After the victory of the new democratic revolution and the completion of land reform throughout the country, a new change took place in class relations in China. The big bourgeoisie and feudal landlords, which were the targets of the democratic revolution, had been exterminated and the influence of imperialist aggression had been driven out.

The contradictions between the proletariat and the bourgeoisie and between the socialist road and the capitalist road became the principal contradiction of society. The socialist revolution must no doubt exterminate the bourgeoisie. However, how could this contradiction be resolved? At that time, some of the comrades held that the national bourgeoisie had no dual character during the socialist period but only a reactionary character. They advocated treating the national bourgeoisie in the same manner as the big bourgeoisie and called for their immediate extermination. This obviously was a kind of "leftist" sentiment. As in the period of the democratic revolution, Comrade Mao Zedong was also very cautious in dealing with the national bourgeoisie during the socialist period. As early as in his report to the Second Plenary Session of the Seventh CCP Central Committee, he correctly pointed out: For a fairly long period after the victory of the democratic revolution, "we must still make use of the positive qualities of urban and rural private capitalism as far as possible, in the interest of developing the national economy." At the same time, "we shall adopt well-measured and flexible policies for restricting capitalism." Later, Comrade Mao Zedong also pointed out: "Exploitation of the working class for profit constitutes one side of the character of the national bourgeoisie, while its support of the constitution and its willingness to accept socialist transformation constitute the other." The contradictions between the working class and the national bourgeoisie are antagonistic, "but in the concrete conditions of China, this antagonistic contradiction between the two classes, if properly handled, can be transformed into a nonantagonistic one and be resolved by peaceful methods." ("Selected Works of Mao Zedong" vol 5, p 365) Based on these ideas of Comrade Mao Zedong, our party adopted the policy of utilizing, restricting and transforming capitalist industry and commerce and, by means of assigned processing, the planned ordering of goods, state purchasing and marketing, distributing and selling on commission, joint state-private ownership and joint state-private ownership of all trades, carried out a transitional form of socialist transformation from lower to higher state capitalism. Within a few short years, we accomplished the peaceful buying out of the bourgeoisie as envisaged by Marx and Lenin and gradually transformed the capitalist industrialists and businessmen into self-supporting laborers. This was a brilliant achievement of Comrade Mao Zedong and the CCP Central Committee in integrating the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution and a great undertaking in the international communist movement.

AT TURNING POINTS AND CRITICAL MOMENTS OF THE CHINESE REVOLUTION, HE TIME AND AGAIN LED THE REVOLUTION IN TIDING OVER HARDSHIPS AND ADVANCING FROM ONE VICTORY TO ANOTHER

The road of the Chinese revolution was not straight but had twists and turns. The revolution was at a high tide sometimes and at a low tide at others. It was characterized by advances and setbacks. In Comrade Mao Zedong's words, the Chinese revolution advanced "wave upon wave." In such an arduous and tortuous struggle, an outstanding leader should be able to exercise leadership and organize the masses to win victory when the revolution developed smoothly. A still more important requirement is that when the revolution is at a turning point or critical moment, he must be able to open up a road and lead the masses to advance by taking a detour. In the course of development of the Chinese revolution, Comrade Mao Zedong had time and again led the whole party and the Chinese people in victoriously tiding over the hardships and delivered the party and the Red Army from danger, thereby guiding the revolution to advance from one victory to another.

In 1927, the Chinese revolution was at a very critical moment because of the betrayal by the bourgeoisie and also of Chen Duxiu's rightist capitulationism. Chiang Kai-shek and Wang Ching-wei who had pretended to be revolutionaries bared their counterrevolutionary features and frenziedly massacred the communists and the revolutionary masses. Under the cruel white terror, a group of unstable elements withdrew from the party. Some of them even became shameless renegades. Many others were perplexed and depressed, whereas, the genuine revolutionaries buried the bodies of their dead comrades, wiped away blood from their clothes, held high the banner of armed struggle and launched a brave counterattack against the Kuomintang reactionaries.

In about 2 years' time, armed uprisings broke out in various localities on more than 200 occasions, producing a spectacular scene of struggle. However, most of these uprisings ended in failure because they mechanically followed the experience of the Soviet October Revolution and were aimed at capturing the cities. Practice of the revolution showed that according to China's concrete conditions our party must shift the focus of its work from cities to the countryside and preserve, revive and develop the revolutionary forces in the countryside, otherwise the revolution could not make headway. At that time, leaders of the CCP Central Committee and the armed uprisings in various localities were making strenuous efforts to explore a new road for the Chinese revolution and had accumulated some valuable experience. Comrade Mao Zedong was a principal representative advocating such a change. He organically combined revolutionary retreat with revolutionary attack, amassed revolutionary forces in the countryside and adopted the strategy of encircling the cities from the countryside and then capturing them, thus opening a new road of leading the Chinese revolution to victory.

When the autumn harvest uprising in the Hunan-Jiangxi borders was defeated, Comrade Mao Zedong promptly made the strategic decision of marching to the middle section of the Luoxiao Mountains where the enemy's rule was weak, and established the first rural revolutionary base under our party's leadership. He was the first to have found the correct way to preserve, revive and develop the revolutionary forces. Later, when Comrades Zhu De and Chen Yi, together with their armed forces which had survived the Nanchang uprising and the southern Hunan uprising, joined him in the Jinggangshan mountains, he, with their assistance, closely combined party building, armed struggle, land reform and the establishment of political power and built "an armed independent regime of workers and peasants," thereby consolidating the Jinggangshan revolutionary base, enabling people to see the orientation and prospects of the Chinese revolution and tremendously inspiring the vast number of revolutionaries. In his articles "Why Is It That Red Political Power Can Exist in China?" and "The Struggle in the Jinggangshan Mountains," he summed up the experiment of the struggle in the Jianggangshan mountains and theoretically elucidated the conditions for the existence and development of the Red political power. With revolutionary bases established in southern Jiangxi and western Fujian, he wrote another article "A Single Spark Can Start a Prairie Fire" in 1930, in which he criticized the pessimistic ideas of Lin Biao and others, further explained the role played by the establishment and development of the Red political power in the Chinese revolution, and pointed out the new road of encircling the cities from the countryside and seizing political power by force. He said: "In semicolonial China the establishment and expansion of the Red Army, the guerrilla forces and the Red areas is the highest form of peasant struggle under the leadership of the proletariat" and "undoubtedly the most important factor in accelerating the revolutionary high tide throughout the country," and only by establishing an armed independent regime of workers and peasants "will it be possible to hasten the revolutionary high tide." ("Selected Works of Mao Zedong," vol 1, p 95) It was by following the road of encircling the cities from the countryside and seizing political power by force as opened up by Comrade Mao Zedong and others that the Chinese revolution was able to win one victory after another.

However, because of Wang Ming's leftist adventurism, the central revolutionary bases founded by Comrade Mao Zedong and others and comprising 21 counties with a population of 2.5 millions were all lost and the Red Army was in a critical moment. The masses of party members and cadres and Red Army commanders and fighters learned a lesson from this defeat. Subsequently, at the Zunyi meeting, the leftist military thinking was criticized, the CCP Central Committee was reorganized and Comrade Mao Zedong's correct leadership over the Red Army reestablished. After that, under Comrade Mao Zedong's command, the Red Army crossed the Chishui River four times, thrust deep into the enemy forces, crossed the Jinsha River by ingenious tactics and the Dadu River by force, jumped out of the circle of besiegement, chase and interception by hundreds of thousands of enemy troops, and triumphantly joined forces with the 4th Front Army.

After the 1st and the 4th Front Armies had joined forces, the party and the Red Army encountered another crisis. At that time, relying on the great numbers of men and guns he had, Zhang Guotao who led the 4th Front Army attempted to force the CCP Central Committee to follow his wrong proposal of retreating to the Sichuan-Xizang borders inhabited by the minority nationalities. Comrade Mao Zedong firmly opposed him and resolutely led the units of the Red Army under him to march northward and victoriously reached northern Shaanxi very quickly. Zhang Guotao led the army units under him to Zhuomudiao, where he established a puppet "CCP Central Committee" and styled himself as "chairman," thus openly hoisting the flag of splitting the party. Due to the criticism and education by Comrade Mao Zedong and the CCP Central Committee and because of the firm opposition by Comrades Zhu De, Liu Bocheng, He Long and Ren Bishi and the masses of commanders and fighters of the Red Army, Zhang Guotao eventually had to abolish the puppet "CCP Central Committee" and lead his army to march northward. As Comrade Liu Bocheng said: "Comrade Mao Zedong's correct leadership played a decisive role in rescuing the 4th Front Army from Zhang Guotao's wrong line, preserving the Red Army of Chinese workers and peasants despite the exceedingly difficult conditions and leading the Long March to victory."

After the Red Army arrived in northern Shaanxi and particularly after the "7 July" incident, our party, under Comrade Mao Zedong's leadership and in view of the fact that the national contradiction between the Chinese people and Japanese imperialism had become the principal contradiction, overcame the interferences coming from the "left" and the right, changed many of its policies during the decade of civil war, established the anti-Japanese national united front embracing the Chiang Kai-shek clique, and boldly aroused the masses to launch a people's war and, after 8 years of strenuous fighting, to win the war of resistance against Japan. After the victory of the war of resistance against Japan, Chiang Kai-shek continued to push his counterrevolutionary policy against the Communist Party and the people. He played the trick of peace with the one hand and launched an all-out civil war with the other hand. The people of the whole country were faced with two different destinies and two different futures, and the Chinese revolution again came to a major turning point. At that time, the Kuomintang reactionaries had a total of 4.3 million troops and occupied an area with a population of more than 300 million. They controlled the major cities and almost all of the country's railroads. They also had taken over all the equipment from 1 million Japanese aggressor troops and received enormous military and financial aid from U.S. imperialism. Whereas, the PLA had only 1.2 million troops, had liberated an area with a population of only 100 million and was mainly fed with millet and equipped with rifles. In the face of a formidable enemy, should we fight or not? And could we win if we fight? People at home and abroad were deeply worried about this and were divided in their opinions. At that time, Stalin did not agree to our fighting. He held that this fighting would bring the Chinese nation to destruction. He wanted our party to hand over its arms in exchange for a legitimate position. Some comrades in our party also overestimated the enemy forces, feared U.S. imperialism and were afraid of fighting against the seemingly powerful Kuomintang army. The CCP Central Committee and Comrade Mao Zedong refuted the wrong opinions at home and abroad and scientifically analyzed the current situation. In his articles "The Situation and Our Policy After the Victory in the War of Resistance Against Japan" and "The Present Situation and Our Tasks," Comrade Mao Zedong clearly pointed out that our policy was to give tit for tat and to fight for every inch of land; all reactionaries were terrifying, but in reality they were not so powerful; we must defeat Chiang Kai-shek and we could do so in 3 to 5 years; the darkness would be over and the dawn was ahead of us and we should eliminate all feeble ideas. To wipe out the U.S.-Chiang Kai-shek reactionaries, he put forth that strategically we should despise our enemies but tactically we should take them seriously. He also scientifically formulated the 10 major military principles for our army's operations and solved a series of major problems concerning using an inferior force to defeat a superior enemy force. His incisive analyses and scientific predictions greatly inspired the whole party, the whole army and the all the Chinese people to win a victory and guaranteed a triumphant development of the liberation war.

During the great strategically decisive battle, Comrade Mao Zedong, together with Zhou Enlai, Ren Bishi and other comrades, remained in northern Shaanxi to take charge of the overall situation while comrades Liu Shaoqi and Zhu De were in north China carrying out the tasks entrusted by the CCP Central Committee and Comrades Peng Dehuai, He Long, Liu Bocheng, Deng Xiaoping, Chen Yi and Luo Ronghuan were in command of the troops on the frontline. Fighting bloody battles, the PLA and the people of the liberated areas wrote brilliant chapters in the annals of war. Led by the CCP Central Committee's and Comrade Mao Zedong's brilliant idea of daring to struggle and knowing how to struggle, the PLA triumphantly smashed Chiang Kai-shek's full-scale offensive and attacks against key sectors, won brilliant victories in the Liaoxi-Shenyang, the Huai-Hai and the Beijing-Tianjin campaigns and brought the major strategic battles to a decision. In just 3 years and more, it wiped out 8 million Kuomintang reactionary troops, overthrew the reactionary rule of imperialism, feudalism and bureaucrat-capitalism and liberated the motherland, thereby achieving national independence, unification of the country and emancipation of the people, which the Chinese people had been longing for over a century.

HE CONSISTENTLY ATTACHED IMPORTANCE TO STRENGTHENING THE PARTY IDEOLOGICALLY AND PERSISTED IN USING MARXISM-LENINISM TO EDUCATE THE MASSES OF PARTY MEMBERS AND CADRES

Our party was founded on the basis of the Marxist-Leninist theory on party building. During the democratic revolution and in the course of socialist revolution and construction, the party organizations at all levels played their role as the core of leadership and the masses of party members played their role as the backbone. However, since our party was not built in a vacuum but had to fight year in and year out in a society where there were classes and class struggles, nonproletarian ideas of every description were bound to contaminate the body of our party. In a country where the proletariat was small and where the peasants and other bourgeois classes made up the majority of the population, building a Marxist proletarian political party of a mass character was an extremely arduous task. Comrade Mao Zedong always attached importance to strengthening the party ideologically, suggesting that party members must join the party ideologically after joining it organizationally. He persisted in using Marxism-Leninism to educate the masses of party members and cadres and using proletarian ideas to remold and overcome nonproletarian ones.

"On Correcting Mistaken Ideas in the Party" adopted at the Gutian meeting at the end of December 1929 was a programmatic document drawn up by Comrade Mao Zedong in answer to a letter from the party Central Committee drafted under the direction of Comrade Zhou Enlai to help our army and party strengthen themselves ideologically. In this resolution, Comrade Mao Zedong applied the basic viewpoints of Marxism-Leninism to incisively analyze various nonproletarian ideas. He not only pointed out their specific manifestation and ideological roots in the party but put forth feasible ways of rectifying them. This resolution played an important role in eliminating various nonproletarian ideas within the revolutionary ranks at that time. Today, it is still regarded as a valuable document on the work of strengthening our party and army ideologically.

In view of the rightist and leftist mistakes committed by our party in the past, Comrade Mao Zedong attached great importance to conducting education on dialectical materialism among the masses of party members and cadres. In the early days of the war of resistance against Japanese aggression, he personally gave a number of lectures on materialism and dialectics. "On Practice" and "On Contradiction" were based on lectures given by Comrade Mao Zedong at the anti-Japanese military and political college in Yanan. In the essay "On Practice," Comrade Mao Zedong exposed the epistemological root of leftist and rightist mistakes. He pointed out: Rightist ideology fails to advance with the changing objective circumstances whereas leftist ideology outstrips a given stage of development of the objective process, regards fantasies as truth, strains to realize in the present an ideal which can only be realized in the future, alienates itself from the current practice of the majority of the people and from the reality of the day.

Their common ground is subjective idealism. They "are all characterized by the breach between the subjective and the objective, by the separation of knowledge from practice." In the essay "On Contradictions," Comrade Mao Zedong exposed the metaphysical way of thinking of the leftist dogmatists, pointing out that they are "lazybones" who refuse to make concrete analysis of concrete things, who "regard general truths as emerging out of the void" and who turn truths "into purely abstract unfathomable formulas." Today, these philosophical works of Comrade Mao Zedong's are still radiating with the light of Marxism.

To help the broad masses of party members and cadres draw lessons from leftist and rightist mistakes made in the past and raise their level of understanding of Marxism-Leninism, Comrade Mao Zedong seized the opportune moment when the anti-Japanese war was in a stalemate to unfold a rectification movement throughout the party. At that time, our party followed the correct line and had made outstanding achievements in various fields. However, the influence of leftist and rightist mistakes, particularly the influence of Wang Ming's mistakes, had not been completely wiped out in the party. The three evil winds of subjectivism, sectarianism and stereotyped party writing were still endangering the revolution. In view of this situation, Comrade Mao Zedong successively wrote "Reform Our Study," "Rectify the Party's Work Style," "Oppose Stereotyped Party Writing," "Talks at the Yanan Forum on Literature and Art" and other reports in 2 short years in the early 1940's. In these writings, he further analyzed the party's previous mistakes and the petit bourgeois work style which existed extensively in the party and put forth the task of "fighting subjectivism in order to rectify the style of study, fighting sectarianism in order to rectify the style in party relations, and fighting party stereotypes in order to rectify the style of writing." ("Selected Works of Mao Zedong," vol 3. p 770) Of this, the most crucial task is to oppose subjectivism because sectarianism is just a manifestation of subjectivism in organizational relations and party stereotypes are just manifestations of subjectivism in the style of writing. Comrade Mao Zedong held that there are two kinds of subjectivism, namely dogmatism and empiricism. The dogmatists do not apply the basic tenets of Marxism-Leninism to solve practical problems relating to the Chinese revolution. Instead, they regard Marxism-Leninism as dogma and copy them mechanically in disregard of specific conditions. The empiricists, on the other hand, ignore the guidance of the universal principle of Marxism and think of partial experience in terms of absolutes. Both dogmatism and empiricism are manifestations of subjectivism and metaphysics. In the course of the rectification campaign, Comrade Mao Zedong also put forth the policy of "learning from past mistakes to avoid future ones and curing the sickness to save the patient." He held that it is necessary to make a special effort to analyze the ideological, social and historical roots of the mistakes in the party's history in order to achieve the two-fold objective of "clarity in ideology and unity among comrades." The erring comrades were profoundly educated by this. This rectification was in fact a universal education movement on Marxism-Leninism. In this campaign, Comrades throughout the party conscientiously studied works by Marx, Engels, Lenin and Mao Zedong, examined and repudiated the mistakes in the party's history from the political, ideological and theoretical standpoint and greatly carried forward the work style of investigation and study, seeking truth from facts and integrating theory with practice. The whole party was ideologically unified like never before on the basis of Marxism-Leninism-Mao Zedong Thought. Without any hindrance, the Seventh enlarged Plenary Session of the Sixth CCP Central Committee adopted the "Resolution on Certain Questions in the History of Our Party." After that, the united and victorious seventh party congress was convened, during which a solid ideological foundation was laid for victory in the anti-Japanese war and the war of liberation.

After nationwide victory, ours became the party which held the reins of state power. Under these new circumstances, Comrade Mao Zedong attached even greater importance to strengthening the party ideologically.

As early as at the Second Plenary Session of the Seventh CCP Central Committee, he had already correctly appraised the new developments of class struggle at home and abroad. He pointed out: After emerging victorious in the revolution, certain attitudes may grow within the party--arrogance, the airs of a self-styled hero, inertia and unwillingness to make progress. The flattery of the bourgeoisie may also conquer the weak-willed in our ranks. Thus, it is necessary to guard against attacks from the bourgeoisie with "sugar-coated bullets." He put forth this call: "The comrades must be helped to remain modest, prudent and free from arrogance and rashness in their work style. The comrades must be helped to preserve the style of plain living and hard struggle." ("Selected Works of Mao Zedong," vol 4, pp 1376-1377) After nationwide victory, the overwhelming majority of our party comrades carried forward the revolutionary spirit of the war years, worked conscientiously for the prosperity of the country and exerted themselves in socialist revolution and construction. However, there is no denying that a small number of people were hit by "sugar-coated bullets." This shows that the solution of the question of joining the party ideologically cannot be overlooked. After the socialist transformation was in the main completed, Comrade Mao Zedong continued to use Marxism-Leninism to educate the party members and cadres, pointing out that we must "serve the people with our whole heart, not with half or two-thirds," (ibid, vol 5, p 420); must not "live on the power of our office, high position or seniority" (ibid, p 4222); and must "maintain the same vigor, the same revolutionary enthusiasm and the same death-defying spirit we displayed in the years of the revolutionary war and carry our revolutionary work through to the end." (ibid, p 420) How convincing are these remarks!

Educated by Marxism-Leninism-Mao Zedong Thought, the masses of party members and cadres have conscientiously summed up and assimilated experiences, both positive and negative, and have grown more and more mature and staunch in the past few decades. Today, we have in our party old revolutionaries who went through the test of the great revolution, Red Army fighters who fought bloody battles against Chiang Kai-shek's counterrevolutionary encirclement and suppression, "three-eight type" personnel who braved untold dangers during the anti-Japanese war as well as large number of cadres who took part in the revolution during the war of liberation and thereafter. The fact that they were able to grow and mature after joining the revolution, that is, to make progress politically and raise their theoretical level, is inseparably linked with Comrade Mao Zedong's insistence on using Marxism-Leninism to educate them. Marxism-Leninism-Mao Zedong Thought has nurtured several generations of revolutionaries for our party. This is a fact.

From all of Comrade Mao Zedong's revolutionary activities, we can see that his life was the life of a great Marxist, the life of a great proletarian revolutionary and strategist. Comrade Mao Zedong did make certain mistakes in guiding ideology in his old age and even made serious mistakes during the decade of the "Great Cultural Revolution." However, viewed as a whole, his contributions toward China's revolutionary cause greatly exceeded his faults. He performed indelible feats in building and developing the Chinese Communist Party, building and strengthening the People's Liberation Army, founding the People's Republic of China and promoting the socialist cause in our country. His position and role in the history of the Chinese revolution cannot be underestimated. Basing themselves on the fundamental tenets of Marxism-Leninism, the members of the Chinese Communist Party represented by Comrade Mao Zedong made a scientific generalization of the unique practical experiences of the Chinese Revolution from the theoretical standpoint and developed it into Mao Zedong Thought which guided the whole party and the people of the whole country in their struggle. This is the crystallization of the collective wisdom of the Chinese Communist Party. It is the application and development of Marxism-Leninism in China and is the precious spiritual wealth of our party.

We won great victories under the guidance of Mao Zedong Thought in the past and we will continue to take Mao Zedong Thought as the guide to our actions in the future. Many of Comrade Mao Zedong's important works are still worth continual studying. However, Mao Zedong Thought cannot take the place of Marxism-Leninism and we must combine the study of Marxism-Leninist works with the study of Mao Zedong's works. As long as we uphold Marxism-Leninism-Mao Zedong Thought, work with one heart and one mind and forge ahead courageously in our new Long March, we can certainly build China step by step into a powerful socialist country which is materially modernized and which has a high degree of political democracy and spiritual civilization.

ZHANG GUANGNIAN SPEAKS ON 'HUNDRED FLOWERS' POLICY

HK221342 Beijing RENMIN RIBAO in Chinese 10 Jun 81 p 5

[Article by Zhang Guangnian [1728 0342 1628]: "Develop a New Situation of a Hundred Flowers Blooming Together--Opening Speech at the National Meeting to Present Awards for the Best Medium-Length Novels, Reportage and Poems"]

[Text] Summary: Encouraged by the line of our party's third plenary session, our socialist literature has been developing vigorously over the past few years. The mainstream and themes of most of the works which compose the essential parts and trends of our literary creation are healthy and good or comparatively good literature of the people. The guiding principle of letting a hundred flowers bloom and a hundred schools of thought contend, which develops Marxism and socialist culture, is a good guiding principle. It has enjoyed popular support. Under the guidance of the four basic principles, it is absolutely right for the party to implement a democratic and open policy in the industrial, agricultural and cultural as well as the literature and art fields. Since we pursue an open policy, vivid and vigorous works are constantly emerging, but a number of unhealthy, gloomy and evil things have also sneaked in. While affirming, defending and developing our mainstream, we should conscientiously deal with these unpleasant minor aspects. We should strictly differentiate the two kinds of contradictions and gradually solve them in a proper way. Proceeding from the interests of the party and the people, we should value, support, defend and develop the situation of stability and unity in the field of literature and art which has been formed in recent years. If something difficult has happened in this field, we should help and support it to overcome any difficulty. As long as we protractedly persist in so doing with one heart and one mind, constantly sum up experiences and overcome our defects, we will certainly achieve still better results. [end summary]

Two months ago, we held a jubilant ceremony for selecting and awarding best short stories of 1980. At that ceremony, we also announced that the activities of selecting and awarding medium-length novels would be carried out soon. Now the awards evaluation committee for excellent medium-length novels of 1977-80 led by Comrade Ba Jin, the award evaluation committee for excellent reportage of 1977-80 led by Comrade Feng Mu and the award evaluation committee for excellent modern poems composed by young and middle-aged poets led by Comrades Ai Qing, Zang Kejia and Yan Chen, fully assisted by the sponsor units, editorial departments of WEN YI BAO, RENMIN WENXUE and SHIKAN and warmly supported by comrades in the literary circles and other fields, have triumphantly accomplished their tasks. A grand awarding ceremony is being jointly held here. The 80 awarded literary works together with the 80 works awarded in the past three years mark the flourishing development of excellent new literary works in recent years and the opening up of the new aspect characterized by the blooming of a hundred flowers in the literary field following the 3d plenary session of the 11th party Central Committee. This is not only a happy event for the literary and art circles in our country, but also a good thing for the people's cultural life in the new period. Comrades, together with our writers, poets and artists, throughout the country, whether present or not at this ceremony, and literary editors, critics and literary and art workers who have enthusiastically protected literary and art works and the broad masses of cadres and people on various fronts who show concern for literary and art work, let us extend our joyous and heartfelt congratulations!

Our grand ceremony for presenting three kinds of literary awards is being held in Beijing on the occasion of the 39th anniversary of the publication of Chairman Mao's "Talks at Yanan Forum on Literature and Art." This is a matter of great significance. In those days, Chairman Mao put forth a series of Marxist principles on the relations between literature and the people, between literature and life and between literature and the revolution. Later, he cultivated the brilliant ideas of letting a hundred flowers bloom and a hundred schools of thought contend. All these have illuminated the road of advance of our socialist literature and art. Today, our minds are at ease because we can mark this occasion with the practical results of serving the people and socialism and the initial practice of letting a hundred flowers bloom and a hundred schools of thought contend. Encouraged by the line of the 3d plenary session of the 11th party Central Committee, our socialist literature has been developing vigorously over the past few years. The mainstream and themes of most of the works which compose the main part and main trends of our literary creations are healthy and good or comparatively good literature of the people. Quite a large number of excellent literary works represent the mainstream of our literature and have been deeply rooted in the people's lives. They vividly depict the features of our times, the course of struggle and the growth of new people. They profoundly reflect the people's joy, anger, sadness and happiness and truly merge with the thinking and feelings of the masses. The guiding principle of letting a hundred flowers bloom and a hundred schools of thought contend, which develops Marxism and socialist culture, is a good guiding principle. It enjoys popular support. It was regrettable that due to the interference from the left and the right, the principle was not truly implemented over a long time in the past. Lin Biao, Jiang Qing and company bore a grudge against it, trying hard to drown it in an apathetic atmosphere. It was only after the 3d plenary session of the 11th party Central Committee that the literary and art circles emancipated their minds did away with superstitions, abandoned restrictions and fetters which hindered literary creation and straightened out the direction of serving the people and socialism. This guiding principle has thus been truly implemented. The sunlight, rain and dew of the socialist new period have created unprecedentedly excellent conditions for the implementation of the "double-hundred" policy. This policy is good. Since we have put theory into practice and turned our desires into reality, a flourishing and favorable situation thrives and people of talent have come forth in large numbers within a short span of 2 or 3 years. In spite of the fact that we still lack experience and are faced with a number of problems and obstacles and are interfered from the right and the left, facts have proved that this principle, which embodies our party's Marxist line and class policy, has great vitality and taken root in the soil of new China.

Spiritual production and material production are two things entirely different in nature. It is difficult to compare them with each other, but they share one similarity which calls for deep thought. After the third plenary session and the implementation of the party's policies for the readjustment of agriculture in rural areas stipulated in the two documents, the peasants' enthusiasm for production has been aroused. Within a short span of 2 years, great changes have taken place in agricultural production and the peasants' mental attitude in a number of areas. People know this perfectly well. These new changes have also been inspiring reflected in reportage and short stories. One month ago, Comrade Ge Luo and I made a short trip to Henan. Warmly assisted by Comrade Yu Heiding of the Henan provincial association of writers and artists, we had a chance to visit two advanced agriculture teams in Xinzheng County. The peasants warmly support the party's policies. As they are developing production and improving their standard of living, they thirst for scientific and cultural knowledge. All this left a deep impression on us. Although the situation in the rural areas is favorable, there are some unavoidable common minor aspects which some cadres worry and complain about. A party branch secretary of the production brigade summed up these ideological contradictions in the following words: The masses fear a change of policies and cadres fear disorder.

Of course, the so-called "fear of change" does not mean the gradual improvement of our work in accordance with the seasons, local conditions and human resources. Actually, we have found out that the responsibility system which links remuneration to output is a great creation of the broad masses of peasants based on the political democratization and productive democratization in rural areas. This system is being perfected in practice. The so-called "fear of disorder" means that peasants and cadres at the grassroots level sneer at certain cadres whose thinking lag behind reality. They worry about the possibility that these cadres will exaggerate minor aspects and regard them as the mainstream and that they will presumptuously change the line and guiding principle of the third plenary session and return to the old practice which was unpopular. In the final analysis, this is another reflection that the masses fear change. Under the direction of serving the people and socialism, when we are pursuing the policy of letting a hundred flower bloom and a hundred schools of thought contend in the literary and art circles and promoting the new flourishing situation, don't we have the thought of fearing the changes as the masses and cadres do? This is a matter worth pondering.

We admit that various complicated contradictions have existed within the ranks of the people in the socialist society and we also demand that contradictions among the people be solved in a proper way. These kinds of contradictions should be strictly differentiated from that between the enemy and ourselves. Within the ranks of the people, we should fully promote democracy, unite all forces that can be united and arouse all positive factors so that millions upon millions of people will bring their talents and abilities into full play and strive to build the socialist material and spiritual civilization. This is the prerequisite and common objective for realizing the "double-hundred" policy. Judging from these aspects, we believe that it is right for the people in the literary and art field to resolutely implement the political and ideological lines adopted by the third plenary session and in accordance with the instructions of the party Central Committee and desire of the broad mass, repeatedly propagate the policies of encouraging art and literature to serve the people and socialism, letting a hundred flowers bloom and a hundred schools of thought contend and the principles of artistic democracy as well as open policy in order to thoroughly smash the yoke of the theory "the dictatorship of literary and artistic sinister line" and completely shake off the fetters of modern superstitions and the theory of the "two whatevers." What they have done is right and conforms to the four basic principles. It is also conducive to the efforts of the party and people to bring order out of chaos, to consolidate the political situation of stability, unity and vividness, and to gradually realize socialism and the four modernizations. What they have done is play an outstanding role in breeding, cultivating and protecting flowers in the gardens of literature and art. The fourth national conference of literary and art circles held in October 1979 showed that our country's literature and art have got out of the abyss of misery and achieved new unity on the new basis. The greetings message addressed to the conference by Comrade Deng Xiaoping on behalf of the party Central Committee and the State Council was very profound. Document No 11 published during the conference which included the greetings message also contained many basic viewpoints worth reviewing and remembering. Under the guidance of the four basic principles, it is absolutely right for the party to implement a democratic and open policy in the fields of industry and agriculture as well as literature and art. Since we are pursuing an open policy, vivid and vigorous works are constantly emerging, but a number of unhealthy, gloomy and evil things have also sneaked in. It is not strange at all that under the present favorable situation in the literary and art field, bourgeois liberalization, leftist feelings or even leftist ideological trends gain ground. While affirming, defending and developing our mainstream, we should conscientiously deal with these unpleasant minor things. We should also strictly differentiate the two kinds of contradictions and gradually solve them in a proper way. We must admit that we have a number of shortcomings, mistakes and flaws in our work. For instance, although it is a great and good thing to select and award excellent literary works and hold a grand ceremony like this and many of our judges and comrades who have been involved in specific works have exerted their great efforts, there are still many shortcomings, flaws and defects in our works. This invites criticism from various sides.

It is good for them to make their complaints known and criticize us. It means that they are concerned with and treasure our work. I suggest that literary magazines publish these well-meaning criticisms so that we can constantly improve our works.

I should like to take this opportunity to reaffirm the common desire of most comrades in the literary and art field: Under the guidance of the line adopted by the third plenary session and the spirit of the central work conference, we treasure above everything else the present hard-earned political situation of stability, unity, vividness and vigor. We should on no account ruin it because of a moment's carelessness. The present situation in the literary and art field which has been formed in recent years and characterized by stability, unity and vitality is the product of the line of the third plenary session and an important component part of the brand new political situation initiated by the third plenary session. Proceeding from the interests of the party and people, we should value, support, defend and develop it. If something difficult has happened in this field, we should give help and support to overcome it. We should on no account ruin it. We have just started and achieved initial results in rehabilitating our socialist literature and art. We should not feel complacent at all. Protracted and painstaking efforts must still be exerted in our work such as establishing close ties with the masses, profoundly reflecting our times, creating typical examples and helping to train the new socialist people and promote the progress of history.... Our literature is an important component part of the progressive literature in the contemporary world. We are holding high the glorious banner of socialism and confidently striding forward toward the literary circle of the world. We should use a great number of our excellent works to help readers in various countries understand our course of epic struggle in which our people strive for national independence, social progress and world peace, our spirit of unyielding integrity to rebuild our homeland on the ruins after surmounting every difficulty and our amazing willpower to promote socialist modernization. In so doing, we will promote mutual understanding, mutual unity and mutual support among people of various countries. Can we gradually do our work well in a down-to-earth manner? The key of our success lies in upholding the four basic principles and unwaveringly pursuing the policy of letting a hundred flowers bloom and a hundred schools of thought contend under the common direction of serving the people and socialism. Since practice has proved that unexpected results have been achieved in a short span of time following the implementation of this policy, it means that our policy conforms with the law of literary and artistic development and meets the demand of those who create and appreciate literary and art works. As long as we protractedly persist in what we are doing with one heart and one mind, constantly sum up experiences, promote achievements and overcome shortcomings, we will score still greater success.

Cultivate flowers and you get flowers and plant trees and you get trees. We need a great number of enthusiasts who will breed, cultivate and protect flowers. The peonies in Luoyang are renowned. We are a bit too late this year to visit the city. Some people told me that a few days ago heavy wind and rain extensively ruined flower nurseries in Wangcheng and Peony parks. Hearing the sound of wind and rain at night, one can imagine that a great number of flowers have fallen. Fortunately, some hard-working gardeners and technicians adopted various kinds of measures to preserve some of the flowers so that Chinese and foreign visitors could still enjoy the sight of these flowers. Though I think that wind and rain are natural phenomena and a necessary occurrence under certain weather conditions, an appropriate amount of gentle breeze and mild rain is good for crops in the field, beautiful and fragrant flowers as well as young cypresses and new pines. We hope to develop scientific research in gardening, constantly improve varieties, exercise special care and prevent and cure plant diseases so that peonies and other exotic flowers and rare trees in Luoyang will be as vigorous and staunch as pines. We also hope that more and more comrades will learn from the gardeners and technicians in Luoyang, try hard to be flower protectors and make efforts to defend and develop the present beautiful situation in which a hundred flowers bloom and flowers of all sorts blossom in a riot of color.

Comrades in Luoyang asked me some time ago to write a short poem for a souvenir. At that time I could not but do my best to fulfill the request. I recite the poem now as the conclusion of my unskillful speech:

Although handsome and fragrant flowers are valuable,
Young cypresses and new pines are more precious.
Everyone says that spring in Luoyang is good,
Industrious flower protectors should not be forgotten.

RENMIN RIBAO COMMENTATOR ON ERRANT CADRES

HK241130 Beijing RENMIN RIBAO in Chinese 16 Jun 81 p 5

[Commentator's article: "The Important Thing Is To Help Those Comrades Who Make Mistakes"]

[Text] The Lankao County CCP Committee has correctly treated errant comrades and promoted the political situation of stability and unity. There is much in their method and experience that we can learn from and make use of.

During the turbulent 10 years, many cadres in power could hardly help saying or doing something wrong, and quite a few cadres not in power also said or did something wrong. In dealing with comrades who made common mistakes, except for those who made and continue to insist on making serious mistakes, we must carry on our consistent policy of "learning from past mistakes to avoid future ones and curing the sickness to save the patient," and the policy of "unity-criticism-unity," and, instead of ascertaining too much personal responsibility, we must chiefly analyze the historical conditions under which these mistakes were made. In so doing, we shall be able to unite with errant comrades while thrashing out the rights and wrongs at the same time. So, instead of being cold, we must be warm toward errant comrades so as to bring their initiative into full play.

In order to carry out correctly the party's principles and policies towards comrades who have made mistakes, it is necessary to adhere to the principle of seeking truth from facts, and analyze their mistakes comprehensively and according to the historical conditions. We must at the same time find out the objective cause for their mistakes instead of only finding out the subjective cause. We must not ignore their past contributions to the party and the people simply because they have made serious mistakes, and we must make an appropriate estimate of their contributions and shortcomings. In this way, errant comrades will accept the criticisms more willingly and correct their errors more easily. However, if we regard their mistakes from a metaphysical point of view and exaggerate their mistakes and raise to the higher plane of principle at will, they would certainly not be convinced.

It is necessary to practice the policy of "first see, then help" toward those comrades who have made mistakes. To see means to see if he has admitted, examined and corrected his mistakes, and drawn lessons from them. It is especially important to see if he has supported the party's line, policies and principles earnestly and sincerely since the 3d Plenary Session of the 11th CCP Central Committee. We must give him a warm and enthusiastic welcome if he has recognized his mistakes and is determined to work hard in implementing the party's line, policies and principles. To help means to spare no effort in doing patient and painstaking work for ideological transformation. The Lankao County party committee has often organized study classes and forums for errant comrades or talked with them individually, and Comrade Diao Wen, secretary of the county committee, has educated errant comrades with his own lessons and experience in correcting mistakes. Thus, they have done a very good job. But this is only the first step in helping errant comrades. The second step is to assign them to appropriate posts immediately after they have really recognized and examined their mistakes so as to offer them opportunity and conditions to correct their mistakes. The third step is to treat them equally, to maintain faith in them and support them in their work. Whenever they make achievements, they must equally be praised, awarded or promoted according to their achievements and must not be regarded differently in this respect.

We must further eliminate the "leftist" influence in dealing with errant cadres and adhere to the party's correct policies and principles. At the same time, we must also have a clear head and never put into important positions or readily place trust in those who made their name by rebelling under the instructions of the Lin Biao and Jiang Qing cliques, those who have been seriously influenced by the factionalist ideology and those smash-and-grabbers, though they are very few in number.

RENMIN RIBAO EDITORIAL ON CONSUMER GOODS OUTPUT

HK231214 Beijing RENMIN RIBAO in Chinese 8 Jun 81 pp 1, 4

[Editorial: "Develop Daily-Use Mechanical and Electrical Products To Satisfy the People's Needs"]

[Text] The fundamental goal of socialist production is to continuously satisfy the needs of the people's lives. Comrade Chen Yun once said: "The ultimate goal of economic construction is to improve the people's lives." What are the people's various needs in consumer goods in our society? Generally speaking, the chief items and their sequence of importance are as follows: 1) food; 2) clothing; 3) housing; 4) daily-use consumer goods; 5) vehicles for transportation; 6) education; 7) physical culture; and 8) recreation. Of course, the proportion of these needs varies. The demand of some of them increase each year while those of others increase very little for a period of time. Nevertheless, none of them remains unchanged for a long time since the demand tends to steadily increase. The people's need for consumer goods can be said to rise periodically.

Daily-use mechanical and electrical products are important consumer goods items required to satisfying needs in people's lives. Our country has a population of 1 billion and there is vast market for daily-use mechanical and electrical goods. With the increased income of people in urban and rural areas, especially the increased income of peasants, the need for daily-use mechanical and electrical products has also increased. According to incomplete statistics on the sale of daily-use mechanical and electrical products for the whole country in 1979 compared with that in 1976, there was an increase of 1.54 times in bicycles, 1.86 times in watches, 1.92 times in radios and 4.5 times in sewing machines. The speed of increase of purchasing power was higher in rural areas than in cities. We have for a long time ignored the positive role played by market demands. We did not actively develop production to meet market demands but often depended on issuing coupons to check market demands. Of course, it is all right to issue some coupons when supplies cannot meet demands but if we rely on this method for a long time, the market's role in speeding up production will be reduced. The increasing needs of the people's lives promote continuous development of production and in return, the continuous development of production continuously satisfies the increasing needs of the people's lives. We should look upon the needs of people's lives as an impetus to developing production. In this way we can place the development of the national economy on a desirable cycle and a gratifying situation of developing production, a prosperous economy and an improved standard of living will emerge.

There are numerous kinds of daily-use mechanical and electrical products of which bicycles, sewing machines, watches and clocks, television sets, radios, recorders, washing machines, cameras, electric fans and ammeters are most urgently needed by the people at present. They are products with the highest volume of sales accounting for over 80 percent of total sale of daily-use mechanical and electrical products. If we can first increase the production of these 10 kinds of products, we can basically satisfy the people's needs for daily-use mechanical and electrical products.

When we study the people's needs in our country, we should proceed from our country's conditions. Our way of living has its own national characteristics and we cannot follow the examples of foreign countries.

Some foreign countries have embarked on a road of high energy consumption but we cannot encourage a high degree of waste in daily life as they do. Now, some people of insight in Western countries are already aware that it is wrong. We should never develop in this direction. In view of the fact that our country has a large population, our purchasing power is low and, as a whole, our energy resources are not too rich either, we cannot consume too much energy in daily life. We cannot take the beaten path of the West's proliferation of household electrical appliances. We should save energy in production and we should also save energy in daily life.

Our socialist economy is based on public ownership, and regulation by planning mechanism must play a leading role. In developing daily-use mechanical and electrical products, we must strengthen planning and overcome blindness. We must have scientific forecasts of social needs and use them as a basis for developing daily-use mechanical and electrical products. Otherwise, even products which are in short supply at present will be overstocked in a short period of time if everyone is aroused to precipitate action. The present task is to strengthen guidance in planning and make out plans for development through thorough investigations and scientific market forecasts, repeated discussions and pooling the wisdom of the masses. An important link in plans for development is to have a proper production layout. In arranging this layout, we should implement the principle of unified planning and arrangement according to superiority, that is to say, giving priority to key cities and brandname products while showing due consideration for inland and remote regions as well as military industrial enterprises. In this way, we can give play to the superiority of brandname products on the one hand and can avoid problems such as overexpansion in production by key cities and difficulties in transportation on the other. If we do not guard against arousing everybody to precipitate action and blind development, we shall be forced to carry out a big readjustment, resulting in serious losses.

It is right to open more avenues for production, but it will not do if everybody strives to produce the 10 kinds of "goods in great demand" listed above as urgently needed daily-use mechanical and electrical products.

There are many ways to develop daily-use mechanical and electrical products. We should provide technical equipment for the technical reform of light industrial, textile and foodstuff enterprises and service trades, produce "goods not in great demand," try hard to "close gaps and make up for missing items" and to open up a new market by producing products with their own characteristics.

We must foster the thought of holding ourselves highly responsible to the people and the state and put raising the quality of products above all other things. At present, the quality of some daily-use mechanical and electrical products is poor and some products are even manufactured in a rough and slipshod way. This situation must be changed. We should establish unified, strict technical standards, raise the quality of parts and devices and basic components, gradually practice the system of production permits, develop superior products and eliminate poor-quality products.

We cannot rely on setting up new factories to develop the production of daily-use mechanical and electrical products but should mainly tap the potentials of existing enterprises and organize specialized large-scale production. We should break through the limits of "departmental and regional ownership" and should not ignore the interests of the state and the people to contend on the problem of possession. The leadership and the rank and file should be of one mind and take the road of merger and the road of organizing trade and professional associations. Industrial departments such as metallurgy and chemistry and other departments concerned should try hard to solve problems such as raw material supply for daily-use mechanical and electrical products. This is a good way to implement the eight-character policy of readjusting, restructuring, consolidating and improving. We should integrate readjustment with reform.

If we only carry out readjustment without reform, it will be difficult to start the readjustment and results of readjustment cannot be easily consolidated either. But if we only carry out reform without readjustment, such reform will be characterized by blindness. If the two are integrated, readjustment will have a solid foundation and reform can be carried out in the correct direction. In short, we should get going, surmount all difficulties, grasp firmly the link of developing daily-use mechanical and electrical products, make breakthroughs and blaze a new trail for readjusting, reorganizing and reforming the whole mechanical industry.

RENMIN RIBAO COMMENTATOR ON EXPANDING PRIVATE PLOTS

HK241106 Beijing RENMIN RIBAO in Chinese 17 Jun 81 p 2

[Commentator's article: "Seriously Implement the Policy on Private Plots"]

[Text] In March this year, the CCP Central Committee and the State Council issued a circular on the active development of rural diversified economy. The circular said: Localities not practicing fixed farm output quotas for each household may expand the size of their private plots and fodder plots in a manner appropriate to local conditions and the area for both can be as much as 15 percent of the total farmland owned by the production teams.

The restoration of private plots is one of the series of economic policies carried out in the countryside since the 3d Plenary Session of the 11th CCP Central Committee. The fact that it has played a remarkable role in reviving and developing the rural economy in recent years proves that it is a correct policy that conforms to our national conditions and that has won widespread support from the peasants. The restoration of private plots has a direct bearing on the flourishing rural market trade and the abundance of agricultural sideline products on the market. Some of the localities have summed up the five advantages of the restoration of private plots as follow: it contributes to fully exploring the potentials of the land and developing rural commodity production; it contributes to rationally utilizing rural surplus labor and auxiliary labor; it contributes to strengthening the rural economic base and consolidating the collective economy; it contributes to developing the technical expertise of the peasants; and it contributes to increasing the income of the peasants and improving their livelihood. In short, it is an indispensable complement of the present collective economy. According to an investigation of a district in Shandong, the income from a mu of private plots belonging to the commune members can amount to about 500 to 800 yuan a year, and the highest can be as much as 1,700 yuan. The decision of the CCP Central Committee and the State Council to expand private plots has been made on the basis of summing up practical experiences. We believe that, as long as this policy is conscientiously implemented, it will certainly add new vitality to economic life in the countryside.

Some of the comrades still have mental reservations regarding the expansion of private plots. For example, they are afraid that the expansion of private plots will result in competition for labor, water and fertilizer with collective farmland and that it will affect collective production. They are afraid that this might lower collective income and weaken the collective economy. Even more serious is that although some of the localities have allotted private plots to commune members, they nevertheless insisted that the land must be placed under the unified planting of production teams. All these have explained the problem, and that is, some of these comrades still do not have a correct understanding of the private plot policy. Actually, the party policy has clearly stipulated that the collective economy is the rule of the countryside. Even if the area of private plots has been increased to 15 percent, the collective farmland of the production team still accounts for 85 percent. With the addition of the collective ownership of industrial enterprises, the collective economy still has an absolute advantage. As for the contradiction of competition for fertilizer, water and labor between private plots and collective farmland, this mostly occurred under the condition of "making a tumult in work and evening up distribution."

After the institution of all forms of the responsibility system in the countryside, this kind of condition has greatly changed. Commune members not only show concern for their private plots, but they also show concern for collective farmland. As long as work has been properly carried out, they are all able to find an appropriate solution. Especially after labor efficiency has been greatly improved, there is generally a great deal of surplus labor. The present problem is no longer the competition for labor between private plots and collective farmland but how to find outlets for surplus labor. The expansion of private plots is one of the best methods for solving this problem.

Some of the comrades have frequently set the collective economy against individual economy. It seems that only by keeping the private plots of the commune members as small as possible can the collective economy be consolidated. This is a sign that the influence of "leftist" ideas has still not been completely eliminated. The correct implementation of the policy of expanding private plots not only will not weaken the collective economy, but on the contrary, it will also contribute to the development and consolidation of the collective economy. Naturally, the important thing is, we must properly handle the relations between the collective economy and private plots. The circular of the CCP Central Committee has not only defined the dividing line between private plots and fodder plots, but it has also emphasized that we must proceed from reality in our work methods. The specific ratio of private plots must be separately determined by the various provinces, municipalities and autonomous regions in accordance with local conditions and the views of the commune members, and we should not institute across the board measures. We must strictly carry out work according to these demands before we can achieve the desired results. In this work, we must pay special attention to giving play to democracy, consult more with the masses and bring problems to commune meetings for discussion. We must not let a handful of people make the decision. Commune members are the masters and close friends of the collective. If we earnestly develop democracy and allow the commune members to make their own decisions, such problems as expanding private plots can all be correctly solved.

NOTED ECONOMIST CELEBRATES 100TH BIRTHDAY

Beijing University Meeting

OW240934 Beijing XINHUA in English 0823 GMT 24 Jun 81

[Text] Beijing, 24 Jun (XINHUA)--The 100th birthday of noted economist, educator and honorary president of Beijing University Professor Ma Yinchu was celebrated at the university today by 600 people, including his former students. Professor Ma was the first person to advocate population control in China. His theory, criticised in the late 1950s, is now accepted by the government informing its current population policy.

Addressing the gathering today, Vice President of Beijing University Ji Xianlin praised Professor Ma as "upright and outspoken."

A message of greetings was sent from the Ministry of Education to Ma Yinchu, who has dedicated 65 years to education, teaching or presiding over many of China's universities, including Beijing, Chongqing and Zhejiang. The message eulogizes his contribution to the country's education, economic construction and academic research.

Ma was born in Zhejiang Province, graduated from university in Tianjin and received a doctorate in economics at Columbia University in New York City in 1914. Under the rule of the Kuomintang government, Professor Ma spoke, wrote and demonstrated against it and was thrown into a concentration camp in Guizhou Province. During this period, the Chinese Communist Party, through Zhou Enlai, contacted Ma Yinchu and won his support.

After 1949 Ma Yinchu worked not only in education but also in economic research and state affairs through the Chinese People's Political Consultative Conference and the National People's Congress.

As a result of his research he called, in 1956, for controlling population growth through family planning. He said a large population, though a great resource, is also a heavy burden and "may hinder the advance of technology and science in our country." Under the influence of the then-current Soviet theory that there can be no population surplus under a socialist system, Professor Ma was labelled a Malthusian, though his theory is entirely different.

Professor Ma, now a paraplegic, is hospitalized. He himself was unable to attend the celebration, but his family was present. His son-in-law, also an economist, on behalf of the professor thanked everyone and said the professor, upon learning of the many celebration activities said: "Be thrifty, be thrifty." Celebrations were also held in the Chongqing and Hangzhou Universities where he taught.

Further on Meeting

OW250420 Beijing XINHUA Domestic Service in Chinese 1528 GMT 24 Jun 81

[Excerpts] Beijing, 24 Jun (XINHUA)--Beijing University held a meeting today to celebrate the 65th anniversary of Mr Ma Yinchu's dedication to education and his 100th birthday. More than 600 people, including Beijing University alumni, venerable Ma's former students, economists in the nation's capital, personnel from various departments concerned and Mr Ma's relatives gathered happily together to congratulate this famous teacher. Mr Ma Yinchu, now hospitalized, was unable to attend the celebration. His wife Wang Zhongzhen was present to accept greetings on his behalf.

Describing Mr Ma Yinchu's life, Vice President of Beijing University Ji Xianlin said: "Venerable Mr Ma's life spanned the democratic revolutionary period and the period of socialist revolution and construction. He made positive contributions to the state and people."

Minister of Education Jiang Nanxiang also spoke at this joyous celebration meeting. He warmly praised Mr Ma Yinchu's dedication to education and his spirit of caring for the healthy growth of young people. He also hailed Mr Ma Yinchu's love for the party, socialism and truth and his spirit of upholding science. Well-known economist Xu Dixin and Deputy Secretary General of the CPPCC National Committee Nie Zhen [5119 4176] also gave congratulatory speeches at the meeting. Also present at the celebration meeting were Liu Lantao, vice chairman of the CPPCC National Committee; Jiao Ruoyu, Beijing mayor; Fang Zhida, deputy director of the United Front Work Department of the CCP Central Committee; and Bei Shizhang, member of the NPC Standing Committee.

Deng Yingchao Greetings

OW250434 Beijing XINHUA Domestic Service in Chinese 1617 GMT 24 Jun 81

[Feature article by XINHUA Correspondents Zhang Xuantian and Yang Jianye: "Celebration of Ma Yinchu's 100th birthday"]

[Excerpts] Beijing, 2 Jun (XINHUA)--In 1951, when 70-year-old Ma Yinchu took office as president of Beijing University, he said: "Chairman Mao attached great importance to good physical health and called on our youth to build good physiques. This is the capital for building our country. Although I am getting old, I still take a cold shower daily and climb mountains frequently; I am trying to live another 30 years to serve 30 years more."

On the morning of 24 June, when a meeting was held at Beijing University to celebrate the 65th anniversary of honorary President Ma Yinchu's teaching and his 100th birthday, Mr Ma Yinchu received a basket of fresh flowers together with a greetings message from Comrade Deng Yingchao. The message from big sister Deng read: I took part in the celebration of your 60th birthday in Chongqing in the 1940's. On the occasion of your happy 100th birthday today, I am sending you a basket of fresh flowers in warm celebration.

To celebrate venerable Mr Ma's 100th birthday today, his wife Wang Zhongzhen [3769 0112 6297], sons and daughters and close relatives held a family banquet in celebration. They also sent longevity noodles to this centenarian at Beijing hospital. Learning that Beijing University planned to celebrate his birthday on 24 June, he said: "Be thrifty, be thrifty."

With happy feelings, the people wish this centenarian a long, long life!

SHANGHAI PAPER CALLS FOR IMPROVING POLICYMAKING

HK250629 Shanghai WEN HUI BAO in Chinese 15 Jun 81 p 2

["Work Research" column by Qiu Jinquan [0092 6855 3123]: "Establish a 'Think Tank' to Make Policymaking Scientific"]

[Text] Practice shows that in order to have scientific plans for various items of work and to have working programs to ensure success, it is highly necessary to establish a "think tank" serving as an advisory organ.

In the history of socialist construction in our country, there is lots of successful experience in making policy as well as innumerable lessons on the enormous damage caused by "miscalculation." Numerous examples in this respect can be found in Shanghai. For instance, a few years ago, the director of a certain major factory in Shanghai submitted an unverified plan for manufacturing "a large device for generating nuclear rays" and asked the leadership to take it as a major scientific research project in the municipality. The municipality's leading department concerned not only agreed to his request but also assigned it to lower levels for implementation as a major state project. However, 2 years later, this project had made no headway. After a review by specialists of other localities, this "device" was found to be of an advanced technological level but would involve great difficulties, and some of its key parts and instruments could not be produced at home. According to the original report, this project needed an appropriation of only a few hundred thousand yuan. Detailed calculations were made and it was discovered that even an appropriation of a few million yuan would not be sufficient. Eventually, this project had to be readjusted.

Why is it that we often make a slip of one sort or another in economic construction and scientific research? Let us not talk about the "leftist" mistakes in guiding ideology. Methodologically, an important cause is the lack of a scientific analysis of a policy decision and the lack of a scientific process for making a policy. A project involves rather complicated relations vertically and concerns relations of many aspects horizontally. If we only analyze the vertical relations and do not take the horizontal relations into overall consideration, we shall suffer a loss. Moreover, we are accustomed to making logical qualitative calculations, neglect quantitative technical and economic analyses and pay no attention to demonstrating the scientific nature, practicality and economic rationalization of a technological program. In most cases, this is the reason why some scientific research projects remain "unfinished."

Hence, with the development of socialized mass production, the close integration and fine dividing line between modern science and technology and with the rapid change in modern society, it is necessary to organize specialists of all quarters concerned to pool their wisdom to master modern ideas, theories and methods of analyzing policies and to adopt advanced tactics of making analyses, so that policies can be made successfully and scientifically in many major problems. A policy develops from experience to science and from the individual to the collective--this is a necessity of social development. A scientific policy promotes the development of society, the economy and science and technology. This is the reason why modern "brain trusts," "think tanks" and other policy analyzing institutes have come into being and flourished.

In order to carry out economic readjustment in Shanghai more healthily and develop various projects according to objective laws, it is proposed that the following several tasks be tackled:

1. The municipal government should establish a "think tank"--a permanent advisory organ. It should also establish an economic research center, a technological and economic research center, an urban construction research center, and a social development research center. The technological and economic research center is to study the state's and Shanghai's technological development program and to furnish technological and economic data for the development program. It can also organize forces to see whether the major economic construction projects are technically and economically practicable and to study technical and economic theories and methods.

2. Government organs and leading departments at all levels should establish a system of soliciting advice from various quarters and lay down the procedures for scientifically making policies. The higher levels and the departments concerned may refuse to approve any policy which has been made at variance with the prescribed procedures. For example, a major economic construction project which has not been examined by the technological and economic research center may not be submitted to the municipal leading organ for approval. Until the technical and economic practicability of a project has been analyzed, the design institute may refuse to grant it a loan, and this project should not be included in the capital construction program.

3. The mass academic organizations should be organized to act as consultants. They should be permitted to serve as a consultative agent in the form of an enterprise under collective ownership, so that they may use their scientific and technical knowledge and information to make comprehensive analyses, render service in many ways, and help enterprises in Shanghai and in other provinces and municipalities solve their technical problems. Through such consultative services, Shanghai's experience in economic construction can be transmitted to other localities to promote the export of knowledge, technology and talent.

4. A "modern business administration institute" should be established on the pattern of successful foreign experience to train leading cadres engaged in making and analyzing policies, so that they may understand and master the economic laws and the laws of scientific development, profoundly study and understand the strategic policies of the central authorities, have a good grasp of not only the principles of modern leadership and business administration but also the scientific principles and methods of making forecasts and policies, and heighten their level of leadership. Leading cadres at all levels should study at this institute split into groups at different times.

BRIEFS

ANHUI FUEL CONSERVATION--The Anhui Provincial People's Government issued an emergency circular on 18 June, calling for efforts to conserve fuel to support the struggle against the current persistent drought. It urged all departments concerned to ensure the supply of fuel for irrigation purposes, set standards for fuel consumption and make sure that all units concerned will conform with the standards. [Hefei Anhui Provincial Service in Mandarin 1100 GMT 19 Jun 81 OW]

JIANGSU INDUSTRY-TRANSPORT CONFERENCE--The Jiangsu provincial industry and transport conference opened in Nanjing on 18 June. The conference's main task is to relay and implement the guidelines of the national industry and transport conference and the national daily-use machinery and electrical appliances conference, focus on readjustment, promote production and ensure revenues. Governor Hui Yuyu presided over the conference. He noted progress in the province's industry and transport in the past 2 months and called for further solving problems in ideology and understanding and earnestly attending to practical problems in production and readjustment. Vice Governor Wang Bingshi reported on Jiangsu's economic situation in the first half of this year and noted that capital construction had been scaled down and that from January to May, light industry accounted for 56.8 percent of the entire industry and that the province's total industrial output value topped the same period last year by 4.9 percent. [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 18 Jun 81 OW]

LETTER ON ECONOMIC CONTRACTS IN GUANGDONG

HK240636 Guangzhou Guangdong Provincial Service in Mandarin 1100 GMT 20 Jun 81

[Text] Recently, the economic department of the Guangdong radio station received a letter from a XINHUA correspondent saying that economic contracts should have the binding force of law. The letter says: In the past few years, a large number of purchase and sales contracts of agricultural and sideline products have been signed each year by supply and marketing departments in all parts of the province with communes and production brigades. However, when the contracts were signed, many units did not stipulate explicit economic responsibility in the contracts, there was not a third party to act as a witness, and the contracts were not put on record. As a result, often neither party strictly followed the contract. Cases in which the contracts were signed at the beginning of the year but were torn up at the end of the year occurred frequently in many places. Some production teams did not sell their products in accordance with the contracts but sold their products to places where prices were higher. They sold products of inferior quality and products which were not in demand to supply and marketing cooperatives. In order to avoid overstocking commodities, the supply and marketing cooperatives were very particular about the products and forced down the grade and prices when there was an abundant supply of products. Neither the buyers nor the sellers kept their word, giving rise to contradictions between agriculture and commerce.

The letter points out: With the establishment and improvement of rural production responsibility systems, there are more and more ways for developing a diversified economy, and agriculture and sideline products are increasing. Under the present circumstances, when different channels of commodity circulation exist simultaneously, signing purchase and sales contracts for agricultural and sideline products is a form of the socialist planned economy which has great vitality. It has special importance in protecting the interests of the state, the collectives and the individuals and in arousing the peasants' enthusiasm in production.

The letter says: In order to make a contract truly effective, it must have the binding force of law. Huashan commune of Hua County has set a good example for us. Before the supply and marketing cooperative of Huashan commune signs a contract for agricultural and sideline products with a production team, representatives of the production team, the supply and marketing cooperative and the industrial and commercial administrative office go to the fields to carry out an inspection together. They specify clearly in the contract the areas of planting, the yield per mu and the total yield, prices, specifications, quality, time and place of the sale and methods of concentration and exchange of goods in accordance with necessity and possibility. The industrial and commercial administrative office acts as a witness and sends the contract to the bank or credit cooperative to be put on record. Once a contract is signed, it is strictly followed. If any of the parties violates the stipulations in the contract without sufficient reason, the industrial and commercial office will take up the matter and uphold justice and impose a fine according to the unfulfilled amount of the contract. The bank or the credit department will then follow up on the case. In order to increase the rate of contract fulfillment, the Huashan supply and marketing cooperatives tries in many ways to do a good job in supporting agricultural production. It assists production teams with funds, seeds and seedlings, fertilizer, technology and so on for developing production. It also actively does a good job in all aspects of commodity circulation and in opening up new markets. In this way, the purchase volume of agricultural and sideline products increases continuously and consequently promotes the expansion of the business of the supply and marketing cooperative. In 1980, the Huashan supply and marketing cooperative signed 541 purchase and sales contracts with production teams, which amounted to 3.8 million yuan. Those contracts were for mandarins, tangerines, oranges, fruit sugarcane, flowers, vegetables, force-fed ducks, mushrooms, ginger, garlic and so on. The rate of contract fulfillment exceeded 90 percent. Agricultural and sideline products purchased by the supply and marketing cooperative according to contracts accounted for over 90 percent of the total value of agricultural products.

The practice of the Huashan commune shows that safeguarding the solemnity of contracts and fulfilling the economic responsibility stipulated in contracts are conducive to the interests of both the state and the peasants. Not only does this encourage the peasants to develop commodity production enthusiastically but also ensures the development of production in a planned way, guards against blindness, increases economic results and raises the level of distribution. On the other hand, they help to ensure the fulfillment of the state's plans for purchasing agricultural and sideline products. The bank and credit departments can also know what is what in investing funds and granting loans and can have the funds back in good time. Therefore, we hope that the solemnity of economic contracts will be safeguarded by the binding force of law.

XIA SHIHOU PRESIDES OVER HUBEI CONGRESS SESSION

OW241954 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 24 Jun 81

[Text] The ninth session of the Standing Committee of the Fifth Hubei Provincial People's Congress was opened on 23 June in Wuchang.

The main tasks of the current session are: study the guidelines of the instructions of the CCP Central Committee and Hubei Provincial CCP Committee on the work of the standing committees of the local people's congresses at various levels; hear the report on the discussion meeting of responsible comrades on the standing committees of all municipal and county people's congresses in the province; study work arrangements for the Standing Committee of the provincial People's Congress during the second half of the year; convey the guidelines of the 19th session of the 5th NPC Standing Committee; hear the report of the provincial government on the question of strengthening public order and hear explanations by the provincial Higher People's Court on the draft provisional regulations on the collection of litigation fees by the people's courts at various levels in Hubei for handling cases of economic disputes.

The meeting held on 23 June was presided over by Vice Chairman Xia Shihou of the Standing Committee of the Hubei Provincial People's Congress. Present at the meeting were the Standing Committee's Vice Chairmen Zhang Wangwu, Liu Jin, Tao Shuzeng, Lin Musen, Hu Jinkui, Wang Haishan, Lu Wenyuan, Tang Ze, Wu Xianwen and Zhang Zhonghua. Responsible comrades of the provincial Higher People's Court and provincial personnel bureau sat in on the meeting. Also sitting in on the meeting were responsible comrades of the Standing Committee of the Wuhan Municipal People's Congress.

SICHUAN HOLDS MEETING ON RURAL ENTERPRISES

HK240303 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 22 Jun 81

[Summary] The Sichuan provincial government held a work conference on commune and brigade enterprises from 10 to 16 June, attended by responsible comrades concerned from all parts of the province. Provincial CCP Committee Second Secretary and Governor Lu Dadong listened to the reports delivered and made a speech. Yang Wanxuan, secretary of the provincial CCP Committee and chairman of the committee's agricultural committee, also spoke. Provincial CCP Committee Secretary and Vice Governor Yang Rudai presided and gave a report and a summation.

The participants enhanced their understanding of the basic aims and the necessity of developing commune and brigade enterprises and clearly saw the tasks of these enterprises during the economic readjustment. They realized that the gradual perfection of the agricultural production responsibility systems and the vigorous development of rural diversification are bound to provide still greater prospects for these enterprises in raw material and manpower.

"The conference fully affirmed the correctness of the province's orientation in developing commune and brigade enterprises, and the healthiness of this development and the good successes scored. At the same time the participants also analyzed the situation in which the province's commune and brigade enterprises lag behind those of the country as a whole." The conference held that commune and brigade enterprises should concentrate on the following aspects in carrying out rectification and improvement and achieving steady development during the readjustment period:

- "1. Readjust properly the relations between the commune and brigade enterprises on the one hand and the production teams and peasants on the others, to allow the production teams and peasants to derive material benefit and truly run the commune and brigade enterprises as the peasants's own enterprises, so as to consolidate the foundation of the enterprises.
- "2. Concentrate on grasping well the management of the existing enterprises and universally institute the responsibility system of fixed responsibilities and bonuses with remuneration linked to output."
3. Promote economic joint undertakings.
4. Actively develop the processing of agricultural and sideline products, increase output of light and textile industry products and consumer goods, and develop energy and raw materials industries in light of local conditions.
5. Promote marketing and sales.

SICHUAN CONFERENCE URGES RURAL DIVERSIFICATION

HK24065: Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 20 Jun 81

[Summary] On 19 June, the Sichuan Provincial CCP Committee held a telephone conference, demanding that the rural areas actively develop diversification, increase rice production and step up measures against natural disasters. Responsible comrades of all prefectural, municipal and autonomous prefectural CCP committees attended. A responsible comrade of the provincial CCP Committee spoke at the conference. The conference demanded: "All localities must fully understand the strategic significance of developing diversification. We must grasp the principle, steps and methods of developing diversification and improve the form of administration. Organs at all levels of the party and the government must strengthen leadership and all departments must make concerted efforts to contribute toward developing diversification."

The conference held that the present important task is to do well in grasping field management. The conference pointed out that according to the forecasts of the meteorological departments, the general situation of the whole province in the second half of this year is that drought will occur in the eastern part of the province and floods will occur in the western part. The conference demanded that all localities make good preparations against drought and floods and do well in combating floods and drought and preventing insect pests.

YUNNAN ECONOMIC MEETING ON LEARNING FROM SHANGHAI

HK230935 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 18 Jun 81

[Summary] On 16 June, the Yunnan provincial economic committee held a report meeting on learning from the experiences of Shanghai, the coastal areas and the advanced. This report meeting further urged the industrial and communications enterprises in the province to carry out activities on learning from Shanghai, the coastal areas and the advanced, enhance the enterprises' productive, technical and administrative levels and promote their economic results.

Since the beginning of this year, the textile system in the province has established technical cooperation relations with the textile system of advanced provinces and municipalities, such as Shanghai, Tianjin, Hangzhou, Suzhou and Fujian. They have carried out the activities of helping and learning from each other. The assistance and promotion group of the Shanghai textile industrial bureau has achieved apparent results in a short time in helping their counterpart enterprises in the province's textile system. The Shanghai No 12 state cotton textile mill has helped the Kunming textile mill improve the quality of its products. The Shanghai No 5 printing and dyeing mill has also helped the Yunnan printing and dyeing mill improve the quality of its products.

"The preliminary experiences of the textile system in our province in learning from Shanghai, the coastal areas and the advanced are: 1) the need to strengthen organizational leadership; 2) the need to solve the problems arising from erroneous thinking and misunderstanding and to deepen understanding of the important significance of learning from Shanghai; 3) proceeding from reality, to work out the plans for helping and learning and through investigation and analysis, to select the items to be helped and learned; and 4) to set up typical examples and lead overall work with the experiences gained." The meeting also pointed out that it is necessary to look into and solve the weak links in a timely manner when they are discovered.

Comrades of departments of the province and Kunming and comrades from Shanghai who have come to the province to carry out support and promotional activities attended the report meeting. Responsible comrades of the provincial economic committee spoke, urging all industrial and communications enterprises throughout the province to seriously learn from the experiences of the province's textile system in learning from Shanghai and the coastal areas and to further promote the activities of learning from Shanghai, the coastal areas and the advanced.

YUNNAN NOTICE COMMENDS COUNTY MILITIA, MASSES

HK230805 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 20 Jun 81

[Summary] The Yunnan Provincial People's Government and the provincial military district recently issued a joint notice to commend the advanced deeds of the cadres, militiamen and masses of various nationalities in Malipo County and (Moudong) commune in supporting frontline.

The notice said: "On 7 May, when our border defense PLA units wiped out the invading Vietnamese aggressor army at the frontline and in the forest areas, leaders at all levels and the masses in Malipo County carried forward the patriotic spirit and actively shouldered the task of supporting the frontline. With a view to meeting the needs at the frontline, (Moudong) commune very quickly organized stretcher-teams and mule teams. Led by (Chen Fagui), director of the commune's armed forces department, they braved the enemies' artillery fire and went to the frontline to transport the injured personnel. County Vice Magistrate (Yao Shengfa) and (Moudong) commune party committee Deputy Secretary (Li Wenfang) led some 80 militiamen to transport ammunition across mountains every day for the PLA units."

The notice demanded: "The cadres and masses throughout the province and all commanders and fighters of the border defense PLA units must learn the good ideology of fervently loving the motherland and the people's own army from the cadres at all levels and the masses of various nationalities in Malipo County. They must learn from their noble character of wholeheartedly serving the PLA units and the frontline and doing everything to win victory. They must strengthen army-government and army-people unity and make even greater contributions toward construction and the defense of the border areas."

BRIEFS

SOUTHWEST POWER INDUSTRY ADMINISTRATION--Chengdu, 24 Jun (XINHUA)--In order to meet the needs of economic readjustment and power consumption in the production and construction of the southwest region, the southwest power industry administration was recently set up in Chengdu, Sichuan. The administration exercises unified leadership over the power industry in Yunnan, Guizhou and Sichuan. At present, the three provinces have their own unified power network. A regional unified power network is expected to be completed early next year. [Beijing XINHUA Domestic Service in Chinese 0046 GMT 24 Jun 81 OW]

HEBEI ISSUES CIRCULAR ON EXPANDING PRIVATE PLOTS

HK240700 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 16 Jun 81

[Text] On 5 June, the Hebei Provincial CCP Committee issued a circular on expanding private plots, demanding that all localities and departments resolutely act in accordance with the central stipulations.

The circular said: As regards expanding private plots, we must resolutely act in accordance with the central stipulations. The CCP Central Committee and the State Council have transmitted the report, circular and stipulations of the State Agricultural Commission on actively developing rural diversification. Localities in which farm output quotas are not fixed for each household can take such measures as are suitable to local conditions and properly expand private plots and fodder fields. The maximum limit of the area can reach 15 percent of the total area of arable land of a production team. In accordance with local conditions and commune members' opinions, the party committees and governments of all provinces, municipalities and autonomous regions can fix the specific proportion for all localities and must not demand uniformity in everything. Since the documents were forwarded to the lower levels, the cadres and commune members of some localities have actively requested to expand their private plots. In accordance with the spirit of the documents of the central authorities, some counties have decided or are deciding to expand their private plots and fodder fields.

With a view toward implementing this important policy well, it is now necessary to discuss several problems.

1. As regards the proportion in expanding private plots, we must take such measures as are suitable to local conditions and must not demand uniformity in everything. In the province as a whole, on the basis that private plots now account for 6.8 percent of the total area of the arable land, we can increase the percentage from 10 to 15 percent, and commune members can use their private plots for a long time. In communes and brigades where the population is small but the area of land is large, when each person has an average of some 5 mu, it is preferable that the proportion of private plots and fodder fields be 10 percent. In places where the population is large but the area of land is small, the proportion can be a little more but should not exceed 15 percent. The specific proportion of all prefectures, counties, communes and brigades must be fixed in accordance with the conditions of the production teams and commune members' opinions.
2. What must we do in connection with the quotas for procuring grain and agricultural taxes after the expanding private plots? Our opinion remains unchanged. It is up to the production teams and commune members to discuss and decide whether the production teams or the individuals are responsible for fulfilling the quotas for procurement and for paying taxes.
3. The private plots can generally be expanded before or after autumn sowing. In localities where the masses request to expand private plots early, particularly where there are poor production teams and production teams experiencing serious drought which would surely benefit, early expansion can now be instituted after the masses have held ample discussions. Attention should be paid to avoid disrupting commune members who have been allocated fields for which they are responsible. Scattered plots of unused land around villages can be turned into private plots, which should be allocated to the people who are actually in the residence records. Servicemen, compulsory servicemen and commune members must be treated equally. In allocating the private plots, it is essential to benefit the development of planned parenthood.
4. It is imperative to strengthen leadership. Expanding private plots is an important policy which has a bearing on fully utilizing the surplus labor forces, increasing production of agricultural and sideline products and commodities, fostering peasants' skills, increasing commune members' income and increasing preparedness against famine. Leading comrades of the party committees and governments at all levels must go deep into the trial points and together with the grassroots cadres and commune members, look into and solve the relevant specific problems, sum up experiences, give guidance and do work meticulously and well.

DECORUM, COURTESY DRIVE IN BEIJING PLA AIR FORCE

OW241945 Beijing Domestic Service in Mandarin 1200 GMT 23 Jun 81

[Text] On 13 June, this station broadcast a report on air force organs and units stationed in Beijing promoting activities which lay stress on servicemen's appearance, courtesy and discipline and on building a socialist spiritual civilization. In the past 10 days and more, they have taken swift actions and made considerable achievements in this movement. The PLA General Political Department recently called on all PLA units to conscientiously learn from this experience by the air force.

Following the 10 June mobilization meeting, all departments of the air force leading organ and all air force units stationed in Beijing set up a leading group for the "three stresses" movement and made decisions on the specific measures to be taken to deepen the movement. The air force headquarters office has laid down a rule of six requirements concerning decorum and courtesy, which calls on office cadres who are sent down to the grassroots units not to purchase local speciality products, not to take leisure tours, not to entertain guests, not to send gifts, not to quarter at high-class hostels and not to be a bother to the units they are visiting.

The 14 kinds of attitudes reflecting a neglect of decorum and courtesy and the "5 samenesses" showing consciousness of decorum and courtesy as mentioned in the report made by air force Political Commissar Gao Houliang have been listed and transmitted to the various party branches by the air force political department. It called on all office cadres to check themselves against these listed points and act accordingly. It also called on them to formulate regulations on office work decorum.

All units directly under the air force that are stationed in Beijing have also taken similar actions. The service cooperatives for soldiers have sent their clerks to the Tianqiao market and department store building to learn from Comrade (Zhang Dinggui) and to set forth concrete rules and regulations on decorum and courtesy in doing service work.

In an effort to make sure the "three stresses" movement is carried out well in its organs, the air force headquarters has established a mobile supervision post. Deputy Chief of Staff (Ma Ganning) has personally taken to the streets to inspect servicemen's appearance and discipline in an effort to teach the servicemen by personal example as well as by verbal instructions.

At the same time, all leading organs of air force units stationed in Tianjin, Shanghai and Guangzhou as well as in various military regions have taken immediate actions. A movement to build a socialist spiritual civilization with the "three stresses" as the main content is being carried out step by step in all air force units.

BRIEFS

BEIJING HISTORICAL ATLAS--Beijing, 20 Jun (XINHUA)--A new book of maps showing changes that have taken place in the city of Beijing since its founding 3,000 years ago will come off the press soon. Experts in geography, cartography, history, cultural relics and archaeology have been compiling the atlas for 2 years, according to the Editorial board. The "Historical Atlas of Beijing" has two sections--administrative areas and urban districts. The maps are arranged in chronological order and cover various dynasties, plus modern day China. The present nine urban districts and nine counties under the Beijing Municipality are included and changes of all administrative centers, imperial palaces, chief residential houses of the nobility, important government offices, townlets, rivers, mountains, ferries, bridges, monasteries and cemeteries of the past dynasties within the boundary are contrasted. In order to accurately locate these sites in Beijing over the past several thousand years and the changes in certain important historic sites, the compilers used not only the national archives, but also did prospecting and surveying. The editorial board, set up in June, 1979, is headed by Professor Hou Renzhi of Beijing University. [Text] [Beijing XINHUA in English 0706 GMT 20 Jun 81 OW]

HEILONGJIANG ARTICLE REVIEWS INDUSTRIAL ACHIEVEMENTS

SK250308 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Jun 81

["Excerpts" from article by Heilongjiang Province Deputy Governor Lu Guang: "Rapid Development and Remarkable Achievements"]

[Excerpts] Heilongjiang Province has been relatively late in starting to develop its industry. The province's industrial foundation was very weak before liberation. Apart from such industries as lumbering and coal mining, where were oriented to plundering natural resources, and machinery repair characteristic of colonies, what little industry our province had was mostly handicraft workshops processing edible oils, rice, flour, timber and processing leather or producing wire and steel. The equipment was obsolete, technology backward and productivity very low. After liberation, under the leadership of the party, industrial production was restored and developed rather rapidly during the 3-year recovery period.

During the war to resist U.S. aggression and aid Korea, the state transferred here from other provinces some 20 large enterprises producing electric machinery, machine tools, engines, ball bearings, instruments, meters, rubber and wire. This greatly helped accelerate the province's industrial development. Industrial output during this period grew at an average annual rate of 35.8 percent in value. During the first 5-year plan, our province was one of the provinces designated by the state to be given priority in construction. Industrial capital construction investment completed during the 5 years amounted to 10 percent of the nation's total and 57 large and medium-sized enterprises were established. Heavy industries including machine-building, mining and power generating and light industries such as paper, sugar refining and textiles developed rapidly. Industrial output value during the 5 years increased by 110 percent, averaging an annual growth of 15.8 percent.

During the 3-year readjustment period, because we earnestly implemented the policy of readjustment, consolidation, filling out and raising standards in the national economy and took a series of effective steps to promote industry, especially the establishment of the Daqing oilfield, our province's industrial development accelerated. During that period gross industrial output value increased by 67.6 percent, averaging an annual growth of 18.8 percent.

After 31 years of development and construction, the number of industrial enterprises has increased by over 9,000 in 1981 over that in 1979, the number of staff and workers has increased by 7.9-fold and fixed industrial assets have increased by some 30-fold. During the 31 years, the annual total industrial output value increased by 34-fold, averaging an annual increase of 12.1 percent.

With the development of production and construction, our province's industry has occupied an important position in the nation. The province's total industrial output value accounts for 4.4 percent of the nation's total and it ranks ninth among the nation's 29 provinces, municipalities and autonomous regions. Our province's production of timber, petroleum, power-generating equipment, cargo trucks, fiberboard, plywood and [word indistinct] ranks first in the nation.

SHAANXI CIRCULAR ON DIVERSIFIED RURAL ECONOMY

HK221146 Xian SHAANXI RIBAO in Chinese 23 May 81 p 1

[Report: "Provincial CCP Committee and Government Issue Joint Circular on Upholding the Spirit of the Instructions of the Party Central Committee and State Council and Promoting Rural Diversification"]

[Text] Recently, the Shaanxi Provincial CCP Committee and Shaanxi Provincial People's Government issued to party committees and governments at all levels the "circular on upholding the spirit of the party Central Committee and the State Council and energetically promoting rural diversification."

The circular pointed out: Since the 3d Plenary Session of the 11th CCP Central Committee, guided by the features of Shanbei, Guangzhong and Shannan as three different types of areas, we have drawn up production guidelines based on different categories of products and begun readjusting the composition of agriculture, initially solving some concrete problems of policy in regard to the production, supply and marketing of agricultural and sideline products and bringing about a favorable situation rarely seen in agricultural production and in a diversified rural economy. In spite of this, the diversified economy in our province is still a weak link in agricultural production. The irrational composition of agriculture has yet to be basically changed. The scope for a diversified economy is not broad enough and the variety is not great enough. The production areas are scattered and management is poor. The percentage of commodities is low. Rich natural resources and tremendous labor potentials have been far from fully tapped.

To quickly alter this situation and give a big boost to the diversified economy of our province, the circular demanded serious efforts in solving the following problems:

1. We must eliminate the influence of "leftist" thinking and energetically develop a rural commodity economy. At present, the main factors explaining why substantial progress has not been made in the diversified economy of our province are: 1) The "leftist" influence has not been thoroughly eliminated, as far as guiding ideology is concerned. The importance of a diversified economy has not been totally understood. 2) A diversified economy has been set in opposition to grain production in the belief that only one of the two can be adequately handled. 3) Full play has been not given to the development of family sideline production and not enough concrete help has been rendered to its development. Now, to give a big boost to the diversified economy, we must first emancipate the mind ideologically. We must seriously study the documents of the party Central Committee and the State Council, continue to eliminate the "leftist" influence in regard to ideology, thoroughly rectify the one-sided viewpoint of giving sole attention to grain production to the neglect of a diversified economy and the subjectivist tendency of not proceeding from reality, foster the viewpoint of emphasis on agriculture and gain in the overall development of agriculture, forestry, animal husbandry, sideline production and fishery, and energetically develop crop-growing, animal-breeding, forestry, gathering [wild plants and the like], handicrafts, communications, transportation, and commercial services. In assessing the level development of agricultural production in the future, we must take into account not only grain output but also the amount of total agricultural income and the percentage of commodities. We must firmly and unwaveringly implement the guideline of "never neglecting grain production and energetically developing a diversified economy"—paying attention to both and achieving a double bumper crop.

2. With regional factors in mind, we must further implement the production guidelines based on different areas. The production guidelines drawn up by the provincial CCP Committee for the three different types of areas--Shanbei, Guangzhong and Shannan--are compatible with reality, as experiences in the past 2 years have shown.

Now, in light of the guideline formulated by the party Central Committee, we should further clearly understand the guideline drawn up by the province and continue implementing them on a solid basis, while keeping regional factors in mind. While striving for self-sufficiency in grain, Shaanbei must gradually build itself into an animal-breeding and forestry base. Guangzhong must build itself into a base concentrating mainly on grain, cotton and oil-bearing crops while properly promoting a diversified economy. While striving for self-sufficiency in grain, Shaannan must gradually build itself into a base for forestry, animal-breeding and special native products. The suburbs of major and medium-sized cities must firmly adhere to the guideline of stressing vegetables and build themselves into bases for vegetables and nonstaple foodstuffs. Various areas must arouse and rely upon the masses to take proper and realistic measures to make a general survey of natural resources and make plans for different agricultural areas. The aim is to give full play to the superior features, develop the good points and avoid the bad ones, have a clear idea of the main objectives, direct intensified efforts toward the main items, and raise the percentage of commodities in a diversified economy. As far as the whole province is concerned, we must realistically develop the following main items: cotton, oil-bearing crops, raw lacquer, tung oil, silk cocoons, tea, muer [an edible fungus], flue-cured tobacco, furs, milch goats, "Qinchuan" cows, "Guangzhong" donkeys, "Jiani" donkeys, cattle, walnuts, chestnuts, persimmons, dates, apricots and other dried and fresh fruits, rare medicinal herbs, famous and valuable foodstuffs, and other products. With the development of tourism, we must pay attention to producing more handicrafts.

3. We must take all factors into consideration and properly handle the relationship between grain production and a diversified economy. Grain production and a diversified economy depend upon and promote each other and cannot be set in opposition. To properly handle the relationship between grain and a diversified economy, Guangzhong and the Hanzhong basin and also the arable areas in Shaannan and Shaanbei suitable for growing food and economic crops must make overall and rational arrangements. While growing food crops adequately and properly and guaranteeing a continuous increase in total grain output, they must also guarantee a fixed cultivated area for economic crops and its necessary continuous expansion. Second, where a readjustment of crop plans is required in a switchover to economic crops, or where areas are not suitable for grain and must be converted back to forests or animal-breeding, we must do so on the basis of a steady increase in total grain output in a given area or country. We cannot be rash or overhasty, nor can we neglect the development of a diversified economy. Third, on the highlands of Weibei where conditions concerning irrigation and fertilizer are poor, we must properly reduce the multiple index, concentrate efforts on wheat planted on summer fallow land, adopt such methods as interplanting and rational crop rotation to grow beans, oil-bearing and other crops of relatively high economic value, and properly expand the cultivated area under alfalfa and green manure and other crops, in order to strengthen soil fertility and increase income. Fourth, while not interfering with the preservation of poor-quality land, uncultivated land, the areas surrounding villages, edges of fields, ridges in between fields, mountain ditches, barren slopes, riverbanks, sandy wasteland, saline and alkaline land, and marshes to develop suitable multiple production undertakings in regard to breeding or planting, thus making the fullest use of all available land. Fifth, be it grain production or a diversified economy, we cannot pay sole attention to an expanded area and must introduce intensive farming with an eye to an increased yield per unit area—working vigorously toward this end.

4. We must pursue the responsibility system of "four specializations and one link" and give full play to the initiative of the collectives and individuals. Under the unified leadership of the production team, the practice of establishing specialized teams, specialized groups, specialized households and specialized work in accordance with the requirements of the production team's and commune members' strong points and following the principle of linking remuneration to output or output value is a good method for developing diversified economy.

At present, the practice of egalitarianism has often hindered the establishment of such a responsibility system. We should educate cadres and the masses so that they can eliminate the practice of egalitarianism. It is reasonable for some specialized personnel engaged in the development of diversified economy to get higher remuneration than commune members doing farmwork on account of their proficiency in technology and labor. In the meantime, we should pay attention to balancing the remuneration of different trades and see to it that the gaps should not be too great. The system of contracting production to specialized teams or groups and linking remuneration to output should be carried out in some tea plantations, sericultural farms, tree farms, pastures and medicinal herbal farms and so forth formerly run by communes or production brigades. Some of these specialized teams or groups can be independent accounting units responsible for their profits and losses. They should give proper remuneration to the labor force provided by the production teams. Some of these specialized teams are allowed to cooperate with production teams to run projects and share the profits proportionately. While extensively developing collective and diversified economy, we should actively support commune members' sideline production. We should not discriminate against this work ideologically or push it aside. We should make an overall plan and arrangements and actively prop up this work. In accordance with the stipulations, we should expand private plots. Some part-time and auxiliary labor force should be allowed to run family sideline production except in busy seasons. We should actively encourage and support commune members' efforts either individually or in partnership in service trades, handicrafts, breeding and transportation. We should give individual households a free hand to engage in individual economy suitable for them.

5. We must implement various economic policies and promote the development of diversified economy. Policies concerning award items and standards formulated by the state and the province to award peasants with grain for their efforts to develop agricultural and sideline products should be resolutely implemented. We can also adopt a method of turning some supplied grain into awarded grain to purchase forestry and livestock products. In so doing, we will solve the contradiction between the development of diversified economy and commune members' food rations. We can also award peasants with industrial products which are badly needed in view of the needs of the masses. The proportion between the purchase and retained agricultural and sideline products should be properly maintained. Due consideration must be given to the three sides. Consumer products which the masses badly need in their daily lives should be made available in greater supplies. We should produce, purchase and put into circulation more of these products. The contract system should be gradually spread. As for the purchase quotas of grain, industrial crops and the products of diversified economy, the state purchasing departments should sign contracts with the production teams to ascertain the duties and responsibilities of both sides. They should also bear economic responsibility. The prices for agricultural and sideline products should be fixed according to the price control rules and regulations worked out by the state. Without authorization, we should not raise the prices of commodities. The prices for some agricultural and sideline products are unreasonable; the leading departments concerned and pricing department should put forth their opinions to solve this problem. Negotiable prices should be controlled and lowered, and their scope reduced. While purchasing agricultural and sideline products, we should stick to the principle of fixing prices according to grades. It is not allowed to force the prices and grades down and be harsh to the masses. We should actively develop commerce with various circulation channels and conscientiously solve the problems concerning production, supplies and sales. According to the policy and stipulation formulated by the State Council, we should resolutely crack down on speculation and profiteering.

6. We should strengthen organizational work and leadership and all trade services should support diversified economy. To make an overall plan and arrangement and coordinate our action, we have decided to set up a leading group in charge of diversified economy in the provincial government and established an office in charge of diversified economy in the provincial agricultural commission.

Various prefectures and counties should also do the same. The leading cadres of the party committees and governments should look after this matter. Various departments such as agriculture, industry commerce, supply and marketing, foreign trade, communications and transportation, finance and banking as well as science and technology should regard this work as their unshirkable duty and actively make necessary contributions. They should pay attention to strengthening the training of technical personnel and extensively spreading scientific and technical knowledge.

SHAANXI RIBAO ON PROMOTING JOINT UNDERTAKINGS

HK230316 Xian SHAANXI RIBAO in Chinese 3 Jun 81 p 3

[Article in the "Economic Forum" column by Zhang Shuiping [1728 3055 1627]: "Eliminate 'Departmental Ownership' and Actively Organize Joint Undertakings"]

[Text] A report in the 20 April issue of SHAANXI RIBAO stated that the provincial government had decided to put the Changan oil pumps factory and the Shaanxi film equipment factory under the leadership of the No 1 provincial light industrial bureau in a switchover to the production of wristwatch parts. This marks a good beginning in the effort to eliminate "departmental ownership."

Why is it that for a fairly long period of time, our province has encountered obstacles in its efforts toward readjustment and integration and that these efforts often end up failing to bring about a readjustment or establish a joint undertaking? Some comrades say that "departmental ownership" is to blame. If this obstacle is not removed, we can hardly do a good job of readjustment.

What is "departmental ownership?" Simply put, this means treating an enterprise under a department's leadership as its own. A comrade who embraces such an idea often objectively plays a part in thwarting readjustment and integration efforts, regardless of his subjective thinking. For example, when some departments see an enterprise under them placed in a "half-starved or halved" state and even reduced to the stage of "eking out an existence" and relying solely on special fund allocations or loans, they are unwilling to integrate it with another enterprise and still less willing to put it under the leadership of another department. Some factories lie idle and are willing to switch over to another line, but the department in charge vigorously promotes "tightening control," foiling a merger attempt. Some heavy industrial enterprises are willing advocates of "free love" with their light industrial counterparts. But on the ground that it is a "poor match," "the elder" often puts his foot down canceling a proposed union. Such acts explain why many good things favorable to the country and to the people have not been done.

The existence of "departmental ownership" may be traced to three main factors: The first is the influence of the idea of small production. "Departmental ownership" is a reflection of the small-production idea of operation, the small-production way of operation or the small-production methods of management. It means treating and organizing socialist mass production on the basis of small-production viewpoints, habits and methods. Guided by such thinking, people always want to "achieve self-sufficiency" and "establish their own systems," setting up many "all-purpose enterprises" and "omnipotent factories." Though at a time of readjustment, they realize theoretically that they should let strong points make up for weaknesses, they always think along these lines: "You may have strong points but we don't;" "You may slow down but we want to step up the pace;" "Others may serve us, but for our part, we can't play a supporting role or be subordinate to others." Therefore, they are not keen on readjustment. The second factor is departmentalism. In pondering problems and doing things, some comrades do not take the whole situation into consideration. Instead, they have only narrow departmental interests in mind. They do not understand that partial readjustment or retreat is intended to seize an overall initiative and seek overall progress.

The third factor is that some leading comrades always feel that with the factories under the control of their own departments, they can "exercise leadership effectively, get what they want easily and work with confidence." They are thus unwilling to give up. All this, in a fundamental sense, still points to an inadequate understanding of the great significance of readjustment. They do not understand that readjustment aims at not only reducing the scale of construction and closing, suspending or converting factories but also at gradually realizing a rational economic composition, a rational economic system and a rational enterprise organization, and striking out on a new path for the development of our national economy.

Eliminating "departmental control" and organizing joint economic undertakings in various forms--this is a matter having much to do with policy, covering a wide area and involving a thousand and one things and conscientious work. We must proceed with it in an active and steady manner. We must first raise our level of ideological awareness. We must clearly understand that a readjustment of the national economy aims at not only redressing an imbalance in development in some areas and raising our national productivity in a big way but also correcting all inappropriate ways of thinking, methods of management and patterns of activity. As far as the departments in charge of economic work and the enterprises themselves are concerned, the most important thing is to switch over from small-production and even feudal yamen-type methods of management to scientific ways of management which are compatible with the demands of modern mass production. The next important thing is to make a penetrating investigation and study concerning the structure of an organization and the pattern of integration, with improved economic results in mind, and adopt various forms based on the features of various lines and various undertakings to help their integration. At present, reorganization and integration of industrial and communications enterprises focus on industrial cities and major, well-known products in an effort to organize enterprises rationally. The main points are: Rationally organizing machinery and other enterprises to work on a joint or cooperative basis; encouraging integration between processing enterprises in industrial cities and the areas that produce raw materials; organizing integration between communications and transportation undertakings; energetically promoting and developing integration between production enterprises and scientific research departments, institutes of higher learning and colleges; and actively promoting a switchover to a third industry. In taking concrete organizational measures, we must guard against "applying the same rule to all cases" and "sticking to hard and fast rules." For example, some businesses have a relatively satisfactory foundation. They have been in the habit of acting in cooperation and producing things jointly with others. They can well be officially set up as companies or main factories subjected to unified management, unified operation and unified control, thus playing their role in name and in fact. Some faucet factories may organize production in a unified manner and let the factories that cooperate with them operate independently, while both are integrated on the basis of unified plans or economic agreements. On this basis, the faucet factories may take the initiative to organize councils or special joint forums to regularly solve problems on production and management, with the participation of those "cooperative" factories. This is a form of integration which is relatively close at the production level but relatively loose at the management level. Also, there are quite a large number of enterprises where the main engine factories may fix assignments while other relevant factories introduce a diversified economy acting in cooperation with a few main engine factories. The relationship between these factories is mainly one of regularly signing agreements. There is still no fixed organizational pattern for such a form at present, control over both production and management being relatively loose. Still another form calls for a heavy industrial system to take the initiative in serving light and textile industries and support light and textile industries in regard to manpower, material resources, technology, equipment, and so forth. Where necessary, the heavy industrial system must "do something against its will," placing a number of factories and enterprises directly under light and textile industries in a switchover to the production of light and textile products or machine parts.

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In a word, so long as the development of production is beneficial and the growing material and cultural needs of the masses of people can be satisfied, we should allow enterprises to take various forms of integration. The third important thing is that all trades and businesses and all departments should cherish the viewpoint of taking the whole situation into consideration. Guided by the principle of subordinating a part to the whole, they should consciously conform to the overall plans by the leadership organs. In the process of reorganization and integration, they must combine mutual benefit and consultation from the bottom to the top levels with plans and coordination from the top to the bottom levels and combine administrative intervention with economic means, promoting this work in an active and steady manner.

CHINESE GRADUATES WORK IN NORTHWESTERN BORDER AREAS

OW240655 Beijing Domestic Service in Mandarin 2230 GMT 23 Jun 81

[Text] According to a JIEFANGJUN BAO report, 115 university and middle and vocational school graduates at a certain unit of the PLA Capital Construction Engineering Corps are fighting hard in the northwestern border area in their efforts to contribute their youthful years to their motherland's hydrogeological cause. Among them 45 were awarded for their merits, 16 were admitted into the party and some others became the unit's backbone technical elements. The unit has constantly carried out hydrogeological survey work in Shaanxi, Gansu, Qinghai, Xinjiang and other areas under very difficult conditions.

Most of these university and middle and vocational school graduates come from cities and townships with relatively good living conditions. However, in response to the party's call, and considering the needs of the revolutionary cause as their own, they have come to the northwestern area from all sides and have contributed to the country's hydrogeological work.

REAGAN'S PRESS CONFERENCE STATEMENT WELCOMED

OW241022 Taipei CHINA POST in English 20 Jun 81 p 4

[Editorial: "U.S. President Ronald Reagan's Assurances"]

[Text] President Ronald Reagan's assurances on his feeling about the Republic of China and his intention to live up to the Taiwan Relations Act are most welcome.

Reagan's remarks were made a few hours after U.S. Secretary of State Alexander M. Haig Jr. made his announcement at Peiping about the U.S. decision to lift U.S. restrictions of arms sales to Peiping at the end of his 3-day conference with the Chinese communist leaders. They served to reassure the people of the Republic of China that the United States intends to play a balanced China policy instead of leaning to Peiping one-sidedly.

The restraining way shown by President Reagan's statements was evident in President Reagan's press conference remarks Tuesday that Peiping is not a U.S. military ally and that he wants to improve relations with it in making certain technology and defensive weapons available to them. These remarks convey a different meaning from Secretary Haig's announcement that the Reagan administration will lift restrictions against sales of "lethal arms" to Red China. On Wednesday, State Department deputy spokesman David Passage expalined in clarification of Secretary Haig's remarks that Haig hadn't used the word "offensive" in his announcement of arms sales to Red China. But where "lethal weapons" could be interpreted as unoffensive or even defensive remains to be a subject of debate.

But President Reagan's remarks that the United States is not an ally of the China communists deserve to be carefully noted. It is certainly wise to remain independent of Chinese communist entanglement and alliance. For Peiping can never be trusted even as a friend. The Soviets have certainly learned a bitter lesson in their allied relations with the Chinese communists. Peiping turned around in the earlier fifties to be their sworn enemy after the Soviets had supplied Peiping with all vital support and assistances without which the Chinese communists could not possibly have won the decisive victory against the legitimate government on the Chinese mainland, the Republic of China. The Peiping betrayal of the Soviets should provide the United States with an objective lesson and warning not to supply Peiping with technology and "lethal weapons" which might be used against the United States.

President Reagan's statements about communism as an aberration and not a normal way of living for human beings also are note-worthy. He cited the recent turmoil in Poland and unrest of young people in the Soviet Union as a sign of the "first beginning cracks" and the "beginning of the end." He was quite right in believing that communism is cracking up. He should realize that the process of cracking up has also appeared on the Chinese mainland, perhaps even more evident than in the Soviet Union. There, the masses have staged demonstrations in many cities against the Peiping regime demanding freedom, democracy and human rights. The people on the Chinese mainland have been protesting against the inhuman treatment dealt them by the Peiping regime. They are demanding the abolition of communism and the return of democracy under the three principles of the people. Before long, the Peiping regime would collapse and Chinese communism would then disappear from the Chinese mainland. Chinese communist rule on the Chinese mainland will indeed become a passing phase and the people will welcome the return of the Government of the Republic of China.

The United States should realize that whatever help and support given to the Peiping regime will be resented and opposed by the 900 million people on the Chinese mainland as such help and support will perpetuate and prolong Chinese communist oppressive rule over them and delay their eventual liberation from Chinese communist enslavement.

The Chinese communists are in no position to help the United States counter the Soviets. They have failed to deter Soviet aggression and expansion in the past and they cannot possibly exert and influence in this regard in the future. The United States should not listen to Chinese communist boast about their ability to check the Soviet or even the Vietnamese aggression in Asia. As we have said repeatedly before, Peiping is truly a paper tiger.

On the other hand, the Republic of China can do much in helping the United States to safeguard the peace and security of the Taiwan Straits and the Asian and Pacific region. It has successfully maintained the peace and security of this region by its superb armed forces, political stability and economic prosperity plus the staunch support of the dedicated people. It remains to be the true friend of the American people and shares the American aspirations and objectives.

TAIPEI RADIO COMMENTARY ON MILITARY NEEDS

OW250853 Taipei International Service in English 0100 GMT 25 Jun 81

[Station commentary: "The Republic of China's Military Needs"]

[Text] The U.S. House Foreign Affairs Subcommittee on Asia has just gone on record as opposed to selling advanced combat jets to the Republic of China, while urging the Reagan administration to proceed with great caution in providing Red China with lethal weapons. We fully concur with the subcommittee's view regarding military sales to the Chinese communists, but cannot but take exception to its opposition to supplying free China with high performance aircraft. The subcommittee asserts that the Republic of China does not need better fighters now because its F-5E freedom fighters are, in their terms, tactically superior to anything the Chinese communists now have and Peiping has no present, or immediately foreseeable, intention of trying to attack Taiwan.

With all due respect to the eight members of the subcommittee, we must point out that their argument on both points are [as heard] faulty. Not to mention the obvious fact that the Chinese communists' lead of jet fighters is many times over that of the Republic of China, Peiping is already in possession of combat aircraft superior to the F-5Es, the mainstay of the free Chinese air force. Military experts pointed out that the F-5E is only slightly better than the Chinese communist' MiG-19 in performance but inferior to Peiping's sizable number of MiG-21s. And that is not all. Red China is fitting its new generation of fighter jets with Rolls Royce engines. These planes, which are expected to be commissioned in the mid-1980's, will be superior even to the FX planes which the U.S. Government once considered to sell to the Republic of China and some of its other allies. Even if the Reagan administration approved the sale the FX planes to Taipei right now, the Republic of China wouldn't be able to take delivery of them until the time when Peiping can fill its more advanced jet fleet.

As for Red China's real intention regarding Taiwan, the very fact of its opposition to any arms sales to Taipei suggests that the communist masters are contemplating something other than peaceful means to subdue free China. Peiping may not have immediate plans to attack Taiwan, but the situation can change overnight the moment the Teng Hsiao-ping regime is convinced that the Republic of China is no longer able to control the Taiwan Strait and the airspace above it. That is why free China is urgently in need of better weapons for self-defense, especially high performance combat aircraft and modern naval vessels.

Ronald Reagan and his top aides have said again and again that they will honor the Taiwan Relations Act which calls for giving the Republic of China weapons for defense. The time is running short for them to deliver on their pledge.

CHENG MING JIH PAO ON YE JIANYING RESIGNATION

HK200207 Hong Kong CHENG MING JIH PAO in Chinese 20 Jun 81 p 1

[Dispatch from Beijing: "Beijing Observers Expect Ye Jianying Will Resign During the Sixth Plenary Session"]

[Text] The two most conspicuous items on the agenda of the sixth plenary session are: 1) to adopt the "resolution on a number of historical questions since the founding of the state;" 2) the reshuffle of senior party personnel. Relatively enlightened people have different views on these items than those who are relatively conservative. That is why long discussions and even arguments were held on these two issues before the session was convened. The Hua Guofeng question is of course the most prominent of the personnel reshuffles. There is also an old marshal who is the focus of all eyes, and that is Ye Jianying.

Before leaving for south China last year, Ye Jianying said he did not want to resign. Apart from being unwilling to resign himself, he also declared that he did not agree to the resignation system. This view evoked a favorable response among the old cadres in the army, and Ye Jianying's prestige rose in the upper strata of the army. However, the situation is now changing. With the death of Soong Ching Ling closely followed by the sixth plenary session, Ye Jianying had no alternative but to return to Beijing. He now has difficulty in hearing and in moving about. It is expected that he will submit his resignation to the sixth plenary session, and he may be assigned to the advisory committee (or group).

Deng Xiaoping personally put forward the plan for setting up the advisory committee. The regulations for the committee stipulate first that members of the committee must have been party members for at least 40 years, and second that the committee has the right of veto over the resolutions of the central Secretariat.

From the frustration of Hua Guofeng's plans, one can see that the forces backing him have weakened. On the other hand, Deng Xiaoping has recently been devoting all his energy to readjustment in the army, in which he has scored certain successes. This is of major significance for stabilizing the political situation in the whole country.

ZHAO ZIYANG TALKS ABOUT CHINA'S ECONOMY

HK200231 Hong Kong WEN WEI PO in Chinese 20 Jun 81 p 1

[Report by correspondent Lan Ching-chung: "LIAO WANG Carries Talk by Zhao Ziyang"]

[Text] Beijing, 19 Jun--State Council Premier Zhao Ziyang recently systematically expounded his views on how China's national economy should be developed in the future, and also laid down a new line for the country's economic development.

This is revealed in an article carried in the LIAO WANG monthly, edited by the XINHUA NEWS AGENCY, which is about to be published. The article is entitled "Strategic Turning Point in Economic Work." It points out: Zhao Ziyang said: "By carrying out readjustment and reform we should, on the basis of stabilizing the economy, gradually rationalize the economic structure, the management system, and the organization of the enterprises, and embark on a new road for developing China's economy. On this road, investment will be relatively low, the accumulation rate will not be so high, and the benefits will be relatively great." Zhao Ziyang also said: "We should work to make our national economy a pattern of coordinated economic development, steady growth, and the attainment of a benignant cycle, so that the people can derive more tangible benefits and the superiority of the socialist system can be brought into greater play."

The article points out: Zhao Ziyang also gave a detailed exposition on nine issues that need to be probed and studied: 1) vigorously develop the production of consumer goods; 2) do well in conserving and exploiting energy; 3) resolutely rely on the existing enterprises; 4) do well in reorganizing and transforming the machine-building industry; 5) put into effect rational division of labor between the coastal areas and the interior, and take advantage of local superior features; 6) bring into play the stimulating role of science and technology in the national economy; 7) economize capital and make good use of foreign investment; 8) develop new employment opportunities; 9) continue to push the reform of the economic system.

Zhao Ziyang summed up these issues into six phrases: stabilize the economy, readjust the structure, rely on the old plants, tap potentials and carry out improvements, reform the systems and improve the benefits.

The article says: Zhao Ziyang made this speech in summing up developments in economic work in recent years at the State Council's plenary meeting in mid-June.

INITIAL SURVEY OF SOUTH CHINA SEA OILFIELD COMPLETED

HK220617 Hong Kong WEN WEI PO in Chinese 22 Jun 81 p 1

[Dispatch from Beijing by correspondent Lan Ching-chung: "Initial Survey of South China Sea Oilfield Completed; Tenders To Be Called for and Exploitation To Start in November"]

[Text] The extensive survey of oil resources carried out in the South China Sea has been completed. China has decided to call for tenders around November from foreign countries to cooperate with China for the exploitation of offshore oil in this area.

The area in which physical surveys have been carried out covers 430,000 square kilometers and is divided into 8 zones. Some 48 companies from 13 countries have carried out surveys in accordance with agreements for physical survey signed with the China Petroleum Survey and Development Corporation. These companies have been working since last August. Early last month, all the materials on the survey were handed over to our side. The departments concerned are now collating the materials and will supply the relevant data to the tendering companies before the tender.

Companies applying for the tenders will learn of the regulations and rules governing the exploitation of oil in the South China Sea and the methods of procedures for tendering in about October so that they can submit their applications.

The first round of tenders will be limited to the more than 40 foreign companies which took part in the physical survey. Because they have already carried out work, they are entitled to submit tenders. Applications from other companies will be included in the second round of tenders. If their applications are successful, they may purchase the relevant materials on offshore oil resources.

If the conditions offered are the same, priority will be given to those companies tendering for zones in which they have carried out physical surveys.

Tenders will be called either in Guangzhou or in Beijing.

TUNGHSIANG DISCUSSES SIXTH PLENARY SESSION

HK190322 Hong Kong TUNGHSIANG in Chinese No 33, 16 Jun 81 pp 4-6

[Article by Kuan Tai-chang: "A View From Inside Beijing on the Sixth Plenary Session of the CCP Central Committee"]

[Text] To everyone's great relief, the "Bai Hua incident" has ended for the time being. Naturally, in Beijing those who are interested in current affairs have turned their attention to the sixth plenary session of the Central Committee. This plenary session which has been postponed again and again is now scheduled to be held in mid-June.

An Interesting Little Episode

An interesting little episode has occurred. In mid-May, people in press and diplomatic circles in Beijing doubted whether the sixth plenary session of the Central Committee could possibly be held in mid-June. The cause for these doubts was that when Soong Ching Ling became critically ill, all the top officials of the party and the state hurried to Soong's house to visit and comfort her. Ye Jianyang, whom people were impatiently expecting to appear among the torrent of visitors, was conspicuously absent. Even after Soong's death, on the first and second day of the mourning activities, he was still absent. People could not help whispering that it had been half a year since he went south to spend the winter. Now that the temperatures in Beijing are above 20 degrees centigrade, there is no reason for him to remain in the south any longer. If he does not return to Beijing, it is feared that the sixth plenary session of the Central Committee, which reportedly is to be held in mid-June, will be postponed once again.

When Ye left Beijing last December, there was a rumor that he went south in anger because he did not agree with the decisions of the central work conference. Later, Liao Chengshi publicly denied the rumor. He pointed out that Marshal Ye goes south for the winter every year because of his old age and poor health. There is nothing unusual in this which could offer any grounds for conjecture. Later, it was stated that Ye commented about the central work conference, saying that he firmly supported the reform of the organizational structure and the transfer of personnel in the Central Committee, which was carried out in a harmonious atmosphere. He also said that he was very happy, though owing to his old age he had to fly to and fro for winter or summer like a swallow.

These words immediately cleared up people's misunderstanding. But who could imagine that his stay in the south would be as long as half a year? During that period the speaker of the Japanese Diet and the speaker of the Thai National Assembly visited Beijing. They had been personally invited by Ye. Moreover, the king of Belgium visited China and the Colombian congress awarded Ye an honorary medal. Ye could have been reasonably expected to attend these diplomatic activities in person. He should at least have appeared in public and attended some receptions, but he kept away from Beijing, and entrusted Peng Zhen and Wei Guoqing with the task of receiving the guests. After a period of silence, rumors and gossip spread like wildfire again.

An Enlarged Session

Later Ye Jianyang came back to take part in the mourning activities for Soong Ching Ling, but it was noted that there was no chairman on the list of the funeral committee. The memorial service, over which he should have presided, was presided over by Hu Yaobang instead. In the eyes of those who concern themselves with the current affairs in Beijing there is much conjecture about what lies behind these events.

Nevertheless, the sixth plenary session of the Central Committee is scheduled to be held in mid-June. It is also said that it will be an enlarged conference attended not only by members and alternate members of the Central Committee, but also by chief officials of the party, government and army from the provinces, cities and military regions. That increases its significance.

The first important item on the session's agenda will certainly be to discuss and pass "the resolution on a number of historical problems." What interests us most about this is the evaluation of the achievements and errors of Mao Zedong. That document was drafted as early as last year. It has been circulated among the high-ranking party cadres. Its spirit was reflected in Huang Kecheng's long article on the achievements and errors of Mao Zedong published in May.

It seems that an understanding has already been reached at the top level of the party on the evaluation of Mao and the following principles have been agreed upon:

1. Achievements first, errors second;
2. A rough estimate is better than a detailed evaluation. Entanglements over past historical events should be avoided;
3. Emphasis must be on achievements instead of errors; and
4. Do not touch upon the moral qualities of Mao Zedong and do not damage Mao's image.

At the present stage it is easy to understand why the Chinese Communist Party evaluates Mao in such a way. Today, the Communist Party urgently wants unity among the whole party for the modernization drive and to carry out their magnificent construction program. They have extremely heavy and complicated tasks and plans to consider and fulfill. Therefore, it is true that there is no need for them to waste their energies in getting entangled in the evaluation of past historical events. In any case, with the trial of time it will become clearer and clearer whether some points of view, judgments and opinions are right or wrong.

Hua Guofeng Is Going To Make a Self-Criticism

As the spirit of the evaluation of Mao has already been disclosed, what concerns us more is the transfer of top personnel. Is the fall from power of Hua Guofeng, which has caused a clamor for a long time, true or false? Will Hu Yaobang be promoted to chairman? These are the main topics of discussion whenever people in Beijing talk about the sixth plenary session.

Wan Li, a major figure of the pragmatist faction recently said, "Comrade Hua Guofeng's shortcomings in his work as a leader will be discussed at the sixth plenary session of the party Central Committee. If his self-criticism is accepted, he will continue as chairman. If there is a man more suitable, that man will be chosen as chairman. He also confirmed the widespread rumors that during the central work conference last December, there were many people who recommended that Deng Xiaoping assume the chairmanship, but Deng refused because of his advanced age.

Wan Li's comments are the most detailed we have ever heard from a top central official about the transfer of personnel. In fact, inside the party, Hua has already resigned the post of chairman. He is no longer in charge of the work of the party. That work is now in the hands of Deng Xiaoping and Hu Yaobang. If we check this fact against Wan Li's comments, Hua's resignation during the sixth plenary session is beyond any doubt.

We will find evidence of this if we examine all the reports about Soong's illness, her death, the mourning activities and the memorial service. Hua will probably remain in the Political Bureau. His position will be below that of Deng Xiaoping, Ye Jianying, Chen Yun, Li Xiannian, Hu Yaobang, Zhao Ziyang, Peng Zhen, Nie Rongzhen, Xu Xiangqian and Deng Yingchao, and he will be ranked among Wang Zhen, Fang Yi, Wei Guoqing and Ulanhu. The few people I discussed this with in Beijing are generally in favor of the Central Committee's way of handling this problem. It is held that it has been proved by practice that Hua lacks the organizational and working abilities required for the heavy responsibilities of the leader of the party. Maybe another post will be more suitable. This transfer of personnel will set a precedent for the Chinese Communist Party. It will change the barbarous practice of inner-party struggles in the past, in which, without exception, the losers always ended up dead or having fallen out of power. It will open a new avenue toward inner-party democracy. Whether viewed from his personal interest or from that of the whole party, Hua is honored in being the first to set the precedent.

There are some people who feel a little sorry for him. They even comment, "If he had known about this today, how would he have acted in the past?" The past meant the arrest of the "gang of four." This is a most unworthy opinion. It is not the noble ideology of a communist but the ideology of feudal bandits to give rewards according to merit. [as published] Whatever a communist does, it must be from selfless motives. Never should he think that he can achieve personal gain if he does this or that. Would he not do a good thing even if there was no personal gain for him? The "gang of four" brought such great calamities to the country and the people that is everybody's opinion that they should be killed. The smashing of the "gang of four" is a duty binding every communist and permitting no turning back. How could one have the slightest expectation of getting a reward based on his achievements in carrying out his duties?

Political Bureau and Secretariat

As to personnel matters, there will be some further adjustment in the Political Bureau and in the Secretariat in addition to the resignation of Hua and the promotion of Hu which are the focal points of our attention. The notorious Chen Yonggui failed to be chosen as a delegate to next year's 12th party congress in the election held in Shanxi Province. I think that he is bound to resign his post in the Political Bureau. It is believed that Wan Li and Yao Yilin, who are capable, experienced, progressive and energetic, will be elected to the Political Bureau. The central Secretariat will probably be enlarged. Deng Liqun, who is the director of the policy research office, will probably be elected to the Secretariat or as alternate secretary. Xi Zhongxun, who is relatively old but very capable, is expected to be elected to the Secretariat too. He is also expected to be appointed as head of the Propaganda Department of the Central Committee to succeed Wang Rezhong (also a member of the Secretariat) who has leftist tendencies.

The third important item on the agenda of the 7th plenary session of the Central Committee is to make preparations for the 12th party congress. The 12th party congress will be a turning point in the reform of the organizational structure of the Chinese Communist Party. The heart of the reform is inner-party democracy. We believe that with the reform of the Chinese Communist Party, it will become a politically, organizationally and administratively modernized revolutionary party and will really be suited to modern civilized society.

Scheme for "Geng-Shen Reform"

According to what is widely rumored in Beijing, the keystone of the reform in the 12th party congress is the scheme of the "Geng-Shen reform" put forth by Deng Xiaoping at the enlarged conference of the Political Bureau on 18 August. It included the following:

1. The reform of the Central Committee in which all power is now concentrated, by electing three parallel, mutually restricting and mutually supervising central committees, that is, change the existing Central Committee into an executive central committee, and in addition, set up a central committee for inspecting discipline and an advisory and supervisory central committee.
2. Abolish the Political Bureau and set up standing committees of the central executive, supervisory and inspection committees. This reform will enable the Chinese Communist Party to shake off its formerly lopsided concentration of power. In order to carry out inner-party democracy there are some more things to do, including concrete measures to conscientiously implement the democratic principles in party committees at different levels.

Such a series of reforms will have far-reaching effects. First of all, the party constitution must be revised. Even the draft of the revised party constitution approved at the fifth plenary session of the Central Committee has to be further revised. That is why there must be full deliberation and consideration. I believe that these problems only will be mentioned and discussed at the coming session, they cannot be solved at that time.

TA KUNG PAO REPORTS ON BEIJING TRADE SYMPOSIUM

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[Special feature by contributing correspondent: Why Do Tianjin and Shanghai Not Set Up Special Zones?--capitalized passages published in boldface]

[Text] At the symposium on international trade held in Beijing at the beginning of this month, American experts showed great interest in reforms of the system of China's foreign trade and raised some questions. Those questions are: Has confusion arisen in the reform of the system and have such reforms been stopped by the central government? Why does the central government still keep control after power is delegated to the localities? What is the meaning of local autonomy? Why do Guangdong and Fujian assume responsibility for their own profits and losses in finance and have autonomy whereas Shanghai and Tianjin which have rich experience in foreign trade and a good foundation in production cannot do so?

REFORM OF THE FOREIGN TRADE SYSTEM WILL NOT BE "WITHDRAWN"

Chinese experts made a reply to the American experts according to their own understanding.

First, they said, reform of the foreign trade system is still in the investigation stage; a direction is being sought, experiments are being carried out and experience is being accumulated. Since last year, appropriate decentralization has been practiced in our country's foreign trade. Some provinces, municipalities, autonomous regions and industrial departments have set up general import and export companies. A new trading channel has been opened up. Owing to the lack of necessary conditions for running things by themselves (such as lack of professional personnel in foreign trade), the setting up of general companies in some provinces, municipalities and autonomous regions has been postponed. However, postponement does not mean "withdrawal."

Second, they pointed out, what has been delegated to the localities is only the right to operate foreign trade. The right of formulating policy and the right of planning in foreign trade have not been delegated and have all along been concentrated in the central government. Operational autonomy by the localities means chiefly that localities can operate commodities which the central general specialized companies in foreign trade do not operate and that localities can arrange the production and export of these commodities.

WHY DO TIANJIN AND SHANGHAI NOT FOLLOW THE EXAMPLES OF GUANGDONG AND FUJIAN

Why do Shanghai and Tianjin not adopt the methods used by Guangdong and Fujian? A delegate from Shanghai gave an answer to this. He said: 1) the geographical conditions of Guangdong and Fujian are special. These two places are close to Hong Kong and Macao and so they are different from Shanghai. 2) Shanghai has close ties with places throughout the country. Raw materials for Shanghai come from all parts of the country and Shanghai's industrial output accounts for one-eighth of the national output. 3) Shanghai is shouldering the task of supplying consumer goods to the whole country. Since the domestic market is a vast one, only an appropriate place can be given to exports. However, Shanghai is now enjoying much more autonomy than before. This can be seen from the fact that it has more say in operating the commodities of the localities and has more autonomy in organizing the production of export commodities.

Since a general company of foreign trade was set up in Shanghai in 1979, we have paid attention to coordinating the relations between production and trade and have given greater facilities to production departments in material supply. We have also organized coordination among different branch companies, coordination of imports and exports outside the plan and coordination between Shanghai and other places. This has greatly promoted the development of Shanghai's exports.

In the course of reforming the foreign trade system, many import and export companies have come into existence. Therefore, many foreign firms do not know who to approach in doing business. The American experts and enterprise representatives suggest that China set up a national information service center in order to give guidance for entrepreneurs to do business with China. The Chinese experts said, at present, the China committee for the promotion of international trade is carrying out work in this aspect but it needs further strengthening.

In short, the reform of China's foreign trade system will continue and they will not be stopped just because some problems which do not affect the overall situation have occurred and we will not go back to the beaten path of rigid control and stagnant business.

Recently, China's leaders have time and again made known to the world that China's open-door economic policy will not change. The open economic policy has wide-ranging contents. They are mainly: Adopting different kinds of internationally recognized and flexible trading methods, establishing special economic zones setting up joint-venture enterprises with foreign funds, utilizing loans from international financial organizations and from foreign countries, exploiting offshore petroleum with foreign funds, increasing technical and economic intercourse with foreign countries, and so on.

FOUR FLEXIBLE MEASURES IN OPEN-DOOR ECONOMY

In his written speech, He Xinhao, deputy research fellow of China's Institute of International Trade summed up China's measures in encouraging flexible trade, which attracted the attention of industrial and commercial circles abroad.

These measures are:

1. Favorable environments are provided in special economic zones for investors. Public facilities such as roads, wharves, communications, water, electricity, levelled ground and the training of laborers are provided.
2. Taxation is on favorable terms. All raw materials sent in to be processed are exempt from customs duties and industrial and commercial income tax. Enterprises entrusted with processing and assembly are exempt from handing in profits and taxes for the first 3 years. During the period for paying for the equipment, compensation trade is exempt from taxes and from handing in profits.
3. The state bank provides preferential loans in foreign exchange or loan guarantees for projects examined and decided.
4. Enterprises engaged in flexible trade can retain a certain percentage of foreign exchange which they get. This is to be used for developing production and for scientific research. Income of foreign exchange of joint-venture enterprises with foreign funds can be used to cover expenses in foreign exchange for raw materials and feedstocks needed by the enterprises, other expenses needed in normal business, dividends for foreign investors and salaries for foreign personnel.

All forms of flexible trade have a prospect of development in China but they also have certain limitations. First, there is the contradiction between flexible trade and traditional normal trade. This is particularly so as some foreign manufacturers often tend to obtain easily marketable export commodities from China.

If China accepts these demands and blindly expands the production and export of these commodities, internal competition for the export market will arise in China. Even the existing channels for sales will be thrown into confusion, the market will be upset and the overall interests of China impaired. Second, there are certain limitations on different kinds of flexible conditions. China's flexible trade is carried out on China's territory and a certain amount of supporting funds, labor, power, transportation and so on is needed. But the phenomenon of improper proportion exists in China's economic structure and before the completion of readjustment, the needs in this aspect cannot be fully met.

Therefore, China's open-door economy provides many trading opportunities for foreign investors but at the same time, they should have a sober understanding of problems existing in China trade, should be relatively patient, should familiarize themselves with China's national conditions and should not act with undue haste.

ECONOMIC READJUSTMENT IS CONDUCTIVE TO THE DEVELOPMENT OF FOREIGN TRADE

At the Beijing international trade symposium, (Gibson) [ji bu sen 0679 1580 2773], PhD, standing deputy director of the Stanford International Advisory Institute, said to a Chinese personality: Although the world's economic prospects are not too good, you should not lose hope because of this. So long as China carries out serious studies and adopts correct trading strategies, there is a bright future for the development of China's foreign trade.

In fact, to many foreign investors, this enormous Chinese market is still a potential market for them. An American enterprise representative said: Up till now, tens of thousands of American enterprises still do not understand China and have not had any economic and trade contacts with China. But many enterprises are very interested in China and are willing to do business with China. Quite a few "do not know how to make an approach though they are quite ready to do so" while others think there is no business to do with China because they are influenced by the propaganda of press circles about the "tightening policy" of China.

Now some of the foreign enterprise personalities who have been to China and American entrepreneurs participating in the trade symposium have come to understand that China's "readjustment" (not "tightening") is conducive to trade development and is making preparations for bigger business in the future.

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